

CAZON  
IT 10  
- 73B 60

Government  
Publications

# Brazil

3 1761 118940915



Foreign Market Study

FMS 73 2

FOREIGN MARKET DEVELOPMENT SECTION

INDUSTRIAL AND MARKETING STUDIES BRANCH

ONTARIO MINISTRY OF INDUSTRY AND TOURISM



Digitized by the Internet Archive  
in 2024 with funding from  
University of Toronto

<https://archive.org/details/31761118940915>

CAZON  
JT10  
73B60

FMS-73-2

FOREIGN MARKET STUDY

BRAZIL

Prepared by:

Foreign Market Development Section  
Industrial & Marketing Studies Branch  
Research Services Division  
Ministry of Industry & Tourism  
Queen's Park, Toronto, Ontario.

JT  
January 1973



## F O R E W O R D

Export marketing research is a subject of considerable interest to our Ministry, to Ontario manufacturers and to businessmen who may be interested in exports. The Foreign Market Studies which are undertaken by our Section, are written for the use of our Ministry and members of Ontario's foreign trade missions. These studies depict the economic background of the countries that will be visited. For this reason our Foreign Market Studies are, in the first instance, working documents designed for the use of the Ministry and cannot be taken in their entirety as expressing the opinion or position of the Ministry of Industry and Tourism.



Equivalents of metric, Imperial and U.S. units of measure

| Metric Units                              | Imperial and U.S.<br>Equivalent | Imperial and U.S.<br>Units        | Imperial and U.S.<br>Units | Metric<br>Equivalents |
|---|---------------------------------|-----------------------------------|----------------------------|-----------------------|
| <u>Length -</u>                           |                                 |                                   |                            |                       |
| 1 centimetre (cm).....                    | 0.394 inch                      | 1 inch....                        | 2.540 cm                   |                       |
| 1 metre (m).....                          | { 3.281 feet                    | 1 foot....                        | 30.480 cm                  |                       |
|   | { 1.094 yard                    | 1 yard....                        | 0.914 m                    |                       |
| 1 kilometre (km).....                     | { 0.621 mile                    | 1 mile....                        | 1609.344 m                 |                       |
|   | { 0.539 int. naut. mile         | 1 International nautical mile.... | 1852.000 m                 |                       |
| <u>Area -</u>                             |                                 |                                   |                            |                       |
| 1 square centimetre - cm <sup>2</sup> ... | 0.155 square inch               | 1 square inch....                 | 6.451 cm <sup>2</sup>      |                       |
| 1 square metre - m <sup>2</sup> .....     | { 10.764 square feet            | 1 square foot....                 | 9.290 dm <sup>2</sup>      |                       |
|   | { 1.196 square yard             | 1 square yard....                 | 0.836 m <sup>2</sup>       |                       |
| 1 hectare - ha.....                       | 2.471 acres                     | 1 acre....                        | 0.405 ha                   |                       |
| 1 square kilometre - km <sup>2</sup> ...  | 0.386 square mile               | 1 square mile....                 | 2.589 km <sup>2</sup>      |                       |
| <u>Volume -</u>                           |                                 |                                   |                            |                       |
| 1 cubic centimetre - cm <sup>3</sup> ...  | 0.061 cubic inch                | 1 cubic inch....                  | 16.387 cm <sup>3</sup>     |                       |
| 1 cubic metre - m <sup>3</sup> .....      | { 35.315 cubic feet             | 1 cubic foot....                  | 28.317 dm <sup>3</sup>     |                       |
|   | { 1.308 cubic yard              | 1 cubic yard....                  | 0.765 m <sup>3</sup>       |                       |
| <u>Capacity -</u>                         |                                 |                                   |                            |                       |
| 1 litre (L).....                          | { 0.879 Imp. quart              | 1 Imperial British quart....      | 1.136 L                    |                       |
|   | { 1.057 U.S. liq. quart         | 1 U.S. liquid quart....           | 0.946 L                    |                       |
|   | { 0.908 U.S. dry quart          | 1 U.S. dry quart....              | 1.101 L                    |                       |
|   | { 21.997 Imp. gallons           | 1 Imperial gallon....             | 4.546 L                    |                       |
| 1 hectolitre (HL).....                    | { 26.417 U.S. gallons           | 1 U.S. gallon....                 | 3.785 L                    |                       |
|   | { 2.749 Imp. bushels            | 1 Imperial bushel....             | 36.369 L                   |                       |
|   | { 2.838 U.S. bushels            | 1 U.S. bushel....                 | 35.239 L                   |                       |
| <u>Weight or Mass -</u>                   |                                 |                                   |                            |                       |
| 1 kilogramme (kg) .....                   | { 35.274 av. ounces             | 1 av. ounce....                   | 28.349 g                   |                       |
|   | { 32.151 troy ounces            | 1 troy ounce....                  | 31.103 g                   |                       |
|   | { 2.205 av. pounds              | 1 av. pound....                   | 453.592 kg                 |                       |
|   |                                 | 1 centerweight (100 lb.) .....    | 45.359 kg                  |                       |
|   |                                 | 1 hundredweight (112 lb.) .....   | 50.802 kg                  |                       |
| 1 ton - .....                             | { 1.102 short tons              | 1 short ton....                   | 0.907 t                    |                       |
|   | { 0.984 long tons               | 1 long ton....                    | 1.016 t                    |                       |



## TABLE OF CONTENTS

|   | <u>Page No.</u> |
|---|-----------------|
| MAP OF BRAZIL   | 1               |
| RESUME  | 2               |
| GENERAL INFORMATION                                   |                 |
| 1. Geography and Climate                              | 9               |
| 2. Human Resources                                    | 10              |
| 2. Constitution and Government                        | 11              |
| STRUCTURE OF THE ECONOMY                              |                 |
| 1. General  | 12              |
| 2. Agriculture  | 13              |
| 3. Livestock  | 16              |
| 4. Forestry   | 17              |
| 5. Fishery  | 19              |
| 6. Industry   | 20              |
| 7. Mining   | 29              |
| 8. Finance  |                 |
| a. The Monetary System                                | 31              |
| b. Banking and Insurance                              | 32              |
| c. Investment   | 33              |
| 9. Public Utilities                                   |                 |
| a. Energy   | 35              |
| b. Transport  | 36              |
| c. Communications                                     | 39              |
| 10. Tourism   | 39              |
| FOREIGN TRADE   |                 |
| 1. Structure of Brazilian Foreign Trade               | 40              |
| 2. Analysis of Brazilian Imports                      | 43              |
| 3. Analysis of Brazilian Exports                      | 44              |
| CANADIAN TRADE WITH BRAZIL                            | 46              |
| 1. Canadian Exports to Brazil                         | 47              |
| 2. Ontario Exports to Brazil                          | 47              |
| 3. Canadian Imports from Brazil                       | 48              |
| 4. Opportunities for Canadian and Ontario<br>Exports. | 49              |



TABLE OF CONTENTS - CONT'D

|  | <u>Page No.</u> |
|--|-----------------|
| ECONOMIC AND TRADE POLICY                                |                 |
| 1. Planning  | 50              |
| 2. Foreign Trade Regulations, Tariffs<br>and Taxes       | 50              |
| 3. Marketing   | 51              |
| 4. Promoting the Products - Agency Agreements            | 52              |
| 5. Licensing, Joint Ventures, Patents and<br>Trade Marks | 53              |



TABLE OF CONTENTS  
Statistical Data

|   | <u>Page No.</u> |
|---|-----------------|
| Table I      Canadian Domestic Exports<br>to Brazil by Commodities<br>1970-1971 | 54              |
| Table II     Ontario Domestic Exports<br>to Brazil by Commodity<br>1970-1971    | 58              |
| Table III    Canadian Imports from Brazil<br>by Commodities 1970-1971           | 61              |



B R A Z I L





### RESUME

Brazil is one of the largest countries in the world. Brazil's economy is based on its natural resources such as rich deposits of minerals, an abundance of forest products and widespread areas of fertile farmland. Brazil is one of the world's important agricultural and livestock producing nations. Brazil's manufacturing industry is progressing rapidly and it has reached self-sufficiency in many consumer, light and heavy capital goods. Economically, there seems to be no obstacle to a period of rapid growth for Brazil in the next few years.

Manufacturing was an important part of Brazil's economic activities even before the Second World War, but the difficulties and opportunities during the war did much to consolidate and foster Brazilian industry. Industrial expansion has been the most significant feature of the Brazilian economy in recent decades. While domestic capital played a major role in this development, it was supplemented to an important degree by foreign capital. Industry presently accounts for approximately 35% of the GDP and 18% of employment.

Initially, Brazil was a producer primarily of consumer goods, but in recent years the heavier type industries have assumed importance. Now, Brazil has a large relatively sophisticated industrial sector ranging from basic industries such as steel, chemicals and petro-chemicals to finished consumer goods.

On an individual basis, food processing industries lead in value of output. Metal processing, chemicals, textiles and transportation are also important. Other significant industries include machinery, non-metallic minerals, electrical and communications equipment, wood furniture, clothing and shoes, rubber and leather.

One result of the increase in industrial activity has been the great rural-urban and inter-regional migration. In 1940, nearly 70% of the population was rural compared to under 50% today.

Although agriculture has not been a leading growth sector in Brazil over the past two decades, it remains of major importance. It accounts for about 60% of Brazil's foreign exchange earnings, and it provides employment for nearly 44% of the labour force. The enormous lowlands of the Amazon basin hold possibilities for the production of agricultural commodities on a large scale.



Despite continued efforts to bring down the rate of inflation, living costs rose about 19% in 1970 and 1971 and approximately 15% in 1972. With inflation continuing, the government plans to pursue the policy started in 1968 of making small and frequent devaluations.

Brazil's Gross National Product in 1971 was US\$41.5 billion, giving a per capita income of about US\$435. The regional distribution of income in Brazil is uneven. In the Northeast, the per capita income is half of the national average while in the Rio de Janeiro area it is over two times the national average. This poses serious social-economic problems and limits the size of the consumer market.

Brazil's most recent planning document for the years 1972-1974 emphasises the raising of the efficiency of public and private enterprises; incorporating the resources, both human and material of the Northeast and Amazon into the money economy; and to expanding foreign trade, particularly exports of manufactured goods and chemicals.

Brazil's National Development Plan 1972-74 calls for massive government spending in a number of industrial sectors. The main goals are to increase industrial production by 46%, steel capacity by 107%, electrical capacity by 49%, petroleum refining by 50%, highway network by 62%, and chemical output by 150%. Included also is a continued emphasis on increased agricultural production and on the existing agricultural development programmes for the north and northeast areas. Other priority sectors for investment include education, housing and health.

The administration places great stress on regional development, particularly in the Northeast. In 1970, the Programa de Integracao Nacional (PIN) was introduced to accelerate development in the poverty-ridden Northeast, and largely untapped Amazon. The basis of this development is the vast Transamazon Highway. In 1972, a five-year land redistribution programme (Proterra) for the Northeast and Amazon regions was put into effect. These projects are financed in part out of incentive tax credits to companies for regional and sectoral investment.

Another regional development programme is Prodoeste, an effort to develop the Center-West (Brasilia and the States of Goias and Mato Grosso) and the rest of the country. In 1972, Provale was launched to develop the Sao Francisco River Valley through colonization, irrigation systems and agricultural development.



Brazil's economic growth in the past has been aided by substantial borrowing abroad. Brazil is being given increasingly more attention by international lending agencies such as Inter-American Development Bank, World Bank and Eximbank. In 1973, each is extending about \$200 million in loans to Brazil.

Brazil's foreign trade is expanding and in 1971 she imported US\$3.7 billion worth of goods and exported US\$2.9 billion. Although coffee remains the most important single export, an important development in recent years has been the increase of export of manufactured goods and non-traditional agricultural products. Exports and imports both increased in 1972, but the merchandise trade continued to be in deficit.

The U.S. is Brazil's major trading partner and in 1970 she took 25% of Brazil's exports and supplied 32% of imports. In 1971, Canada's exports to Brazil amounted to \$93.6 million and her imports from there amounted to \$50.7 million.

Brazil's current account deficit in 1972 is expected again to total over US\$1 billion. This large deficit will be more than offset by a large net capital inflow, expected to be in excess of US\$2 billion. Brazil's foreign reserves continue to rise and are now over US\$3 billion. However, Brazil has a very high level of foreign indebtedness with the total foreign debt rising from US\$4 billion in 1969 to over US\$7.2 billion in 1972.

Brazil has a positive attitude towards foreign investment and is particularly interested in investors who plan to increase the technological base or increase exports of manufactured goods. Joint ventures are also welcomed. In 1970, total foreign investment amounted to approximately US\$4.7 billion, with the U.S., Canada and Germany the major investors. This favourable attitude in contrast with other Latin American countries makes Brazil one of the most promising countries in Latin America for private investment, both domestic and foreign.

Brazil's booming economy and stable political climate, offer a number of opportunities for Canada to expand her exports to Brazil. There are favourable prospects for continued heavy demand for imports needed to supplement domestic production and help to achieve fulfilment of the Brazilian development plans. As a member of the World Bank and Inter-American Development Bank, Canada may compete for contracts to supply goods and services financed by those organizations. The principal sectors



these organizations are financing include: steel, highways, iron ore, hydroelectric power and agriculture.

The Industrial Development Council's (CDI) selection of industries for incentive benefits provides an indication of the types of equipment which will find a good market in Brazil. The industries selected include: chemicals and petrochemicals, shipbuilding, steel, automotive, textiles, earthmoving equipment, machine tools, cement, teleprinting machines, crawler tractors and telegraphic multiples equipment.

Export opportunities appear to be favourable for mining and construction machinery, equipment and materials, aircraft and parts, steel making equipment, textile machinery, transportation equipment, chemical and petrochemical equipment and scientific and medical instruments and apparatus. A demand also exists in the field of electronics, automation, instrumentation, computers, control systems and their associated products.

Sales prospects are also good for fertilizers, refrigeration and storage equipment, and food processing and packaging equipment, due to the emphasis being placed on agricultural development.



BRAZIL

AREA: (Sq. Miles) 3,286,473 (71)

---

POPULATION: 95.4 million (71)

Density (per sq. mile) 29 (71)

Capital City Brasilia 277,000 (71)

5 Other Main Cities

|                |             |      |
|----------------|-------------|------|
| Sao Paulo      | 5.2 million | (71) |
| Rio de Janeiro | 4.3 million | (71) |
| Belo Horizonte | 1.3 million | (71) |
| Recife         | 1.1 million | (71) |
| Salvador       | 1.0 million | (71) |

---

COMMUNICATIONS:

|                                   |                   |      |
|-----------------------------------|-------------------|------|
| Railways (miles)                  | 22,093            | (71) |
| Cars                              | 2.2 million       | (71) |
| Commercial                        | 1.3 million       | (71) |
| Cargo handling at ports (entered) | 81.9 million tons | (70) |
| TV sets in use                    | 6.5 million       | (71) |
| Telephones in use                 | 2.0 million       | (71) |

---

AGRICULTURE:

|  |            |      |      |
|--|------------|------|------|
| Production of Main Crops<br>(million tons) | Coffee     | 1.7  | (70) |
|  | Cotton     | 2.1  | (70) |
|  | Sugar Cane | 91.1 | (70) |
|  | Cocoa      | .226 | (70) |
| Livestock: (Million)                       | Cattle     | 97.9 | (70) |
|  | Sheep      | 24.7 | (70) |
|  | Pigs       | 66.4 | (70) |

---

INDUSTRIAL PRODUCTION:

|                          |             |      |      |
|--------------------------|-------------|------|------|
| (million tons)           | Coal        | 2.3  | (71) |
|                          | Crude Oil   | 5.0  | (71) |
|                          | Pig Iron    | 30.0 | (70) |
|                          | Crude Steel | 6.0  | (71) |
| Motor Vehicles<br>('000) |             | 515  | (71) |

---



CONSTRUCTION

|                            |             |      |
|----------------------------|-------------|------|
| Cement Production (tons)   | 9.7 million | (71) |
| Dwellings Completed ('000) | 175         | (71) |

EMPLOYMENT

|               |     |      |
|---------------|-----|------|
| Agriculture   | 44% | (70) |
| Manufacturing | 18% | (70) |

FOREIGN TRADE

|                                  |     |      |
|----------------------------------|-----|------|
| <u>Total Imports (\$billion)</u> | 3.7 | (71) |
|----------------------------------|-----|------|

|               |               |     |      |
|---------------|---------------|-----|------|
| Main Sources: | United States | 32% | (70) |
|               | West Germany  | 13% | (70) |
|               | Argentina     | 6%  | (70) |
|               | Japan         | 4%  | (70) |

|             |                             |     |      |
|-------------|-----------------------------|-----|------|
| Main Items: | Machinery, vehicles & parts | 35% | (70) |
|             | Raw & processed materials   | 17% | (70) |
|             | Chemicals                   | 16% | (70) |
|             | Manufactured goods          | 16% | (70) |

|                                  |     |      |
|----------------------------------|-----|------|
| <u>Total Exports (\$billion)</u> | 2.9 | (71) |
|----------------------------------|-----|------|

|                    |               |     |      |
|--------------------|---------------|-----|------|
| Main Destinations: | United States | 25% | (70) |
|                    | West Germany  | 9%  | (70) |
|                    | Italy         | 7%  | (70) |
|                    | Argentina     | 8%  | (70) |

|             |                             |     |      |
|-------------|-----------------------------|-----|------|
| Main Items: | Coffee                      | 34% | (70) |
|             | Haematite                   | 8%  | (70) |
|             | Cotton                      | 6%  | (70) |
|             | Sugar                       | 5%  | (70) |
|             | Machinery, vehicles & parts | 4%  | (70) |

Trade with Canada and Ontario, 1971

|                                     |                |
|-------------------------------------|----------------|
| <u>Canadian Imports from Brazil</u> | \$50.7 million |
|-------------------------------------|----------------|

|             |                     |                |
|-------------|---------------------|----------------|
| Main Items: | Coffee, green       | \$24.7 million |
|             | Frozen orange juice | 4.1 million    |
|             | Manganese in ores   | 2.5 million    |
|             | Canned corned beef  | 2.2 million    |

|                                   |                |
|-----------------------------------|----------------|
| <u>Canadian Exports to Brazil</u> | \$93.6 million |
|-----------------------------------|----------------|

|             |                        |                |
|-------------|------------------------|----------------|
| Main Items: | Wheat                  | \$25.6 million |
|             | Newsprint              | 11.0 million   |
|             | Aluminum               | 6.9 million    |
|             | Aircraft               | 4.0 million    |
|             | Copper refinery shapes | 3.4 million    |
|             | Sheet & strip steel    | 3.1 million    |
|             | Asbestos fibres        | 2.7 million    |



Ontario Exports to Brazil

\$20.5 million

Main Items:

|                           |               |
|---------------------------|---------------|
| Aircraft                  | \$4.7 million |
| Plate sheet & strip steel | 2.1 million   |
| Copper and alloys         | 2.1 million   |
| Nickel and alloys         | 1.5 million   |
| Office machinery          | 1.0 million   |



## GENERAL INFORMATION

### 1. Geography and Climate

With an area of 3,286,473 square miles, Brazil is the fifth largest country in the world, ranking after the Soviet Union, Canada, the United States and China. It has a land frontier of 9,768 miles with 4,603 miles of coastline. The greatest extensions, north-south and east-west, are almost the same - about 2,700 miles. Brazil has common frontiers with all the South American countries except Chile and Ecuador. In the north, Brazil is bordered by the three Guianas, Venezuela and Colombia; on the west by Peru and Bolivia; and on the south by Paraguay, Argentina and Uruguay. On the east side is the Atlantic Ocean.

Brazil is essentially formed by a plateau, the highest edge of which is known as the Great Escarpment. 57% of Brazil is made up of highlands. Lowland areas, which cover 40% of Brazil, include the narrow strip of coastal plain between the Great Escarpment and the coastline. More than half of Brazil lies at about 650 feet above sea level, but only a small part rises above 3,000 feet and the highest peaks have an altitude of less than 10,000 feet.

Brazil has one of the most extensive river systems in the world. The three most important navigable rivers in Brazil are the Amazon, the Sao Francisco and the Parana-Paraguay.

The Amazon is navigable by ocean steamers to a distance of 2,300 miles upstream to Iquitos in Peru, and its tributaries drain the entire northern region of the country or 56.25% of its total area. The Sao Francisco, over 1,600 miles in length, is the only major river entirely within Brazilian territory.

Economic development, particularly in the industrial sector, has been concentrated to a large extent in the southeastern states of Minas Gerais, Guanabara, Parana and Sao Paulo. The State of Sao Paulo accounts for approximately 20% of the population, one-third of the G.N.P. and nearly 60% of the country's income.

The Federal capital is Brasilia, a new city inaugurated in 1960. According to the 1970 census provisional figures it had a population of 277,000. Rio de Janeiro had a population of 4.3 million. With a population of approximately 5 million, Sao Paulo is, after Buenos Aires, the largest industrial banking and trading centre in South America. Other important cities are Belo Horizonte with 1.3 million population, Recife 1.1 million population and Porto Alegre with 903,175 inhabitants.

The two largest Brazilian ports are Santos and Rio de Janeiro, followed by Vitoria, Porto Alegre, Rio Grande and Recife.



The Brazilian climate varies from tropical to temperate. Except for certain restricted areas with lower temperatures, annual temperature ranges between 60°F and 83°F. The difference between the temperature of the coolest months and that of the warmest are increases with the latitude. Frost occurs with some frequency in the three most southern states. Heavy rainfall and relative humidity are encountered in the Amazon region and on the East Coast, but the heat is tempered by trade winds and the proximity of the sea.

In some areas of the country - in the east, south and central Brazil, extremely heavy rains occasionally fall within a short period of time. Brazil is free from earthquakes, cyclones, hurricanes and similar disturbances.

## 2. Human Resources

Brazil is the most populous country in South America, and accounts for one-third of the population of Latin America. Brazil has one of the fastest growing populations in the world at about 3.1% per year. In 1971, Brazil had a population of approximately 95.4 million people compared to 70.9 million in 1960. If the population expansion continues at its present pace the country will have approximately 123 million inhabitants by 1980 and approximately 230 million by the year 2000.

The basic Brazilian ethnic stock is Portuguese, but there are also important and largely assimilated African and American Indian components. During this century there has been an influx of immigrants, primarily Italian, German and Japanese. Brazil has been called the greatest melting pot of people in the world and racial friction is almost non-existent.

A growing middle class has emerged, in recent years, based on the small farm movement and the growth in the number of small manufacturers, merchants, engineers and professional and clerical workers which have accompanied industrialization.

At present, Brazil is faced with a "population explosion", which tends to become more acute as medical care and health conditions improve and the mortality rate becomes more favourable. Population distribution shows a majority of young people, with about 53% under the age of twenty.

Internal migration in Brazil is high, and one of the most significant changes in the past two decades has been the massive migration from country to town. In 1940, 31% of the total population was considered urban, 45% in 1960 and 56% in 1970. The population of centres with more than 10,000 inhabitants is growing faster, in relative terms, than the total urban population, reflecting a marked process of concentration.



As a consequence of this migration, the agricultural sector of the labour force has declined from 58% in 1950 to 52% in 1960 to about 44% in 1970. Urban employment in services has shown the highest rate of growth, for while industrial production has increased it has done so through mechanization rather than additional manpower. The portion of the labour force engaged in industrial pursuits has remained virtually the same. This trend is expected to continue.

The troublesome feature of the internal migration from rural to urban areas is that the cities have not been able to absorb the additional labour force. The lag in investment and the lack of training of the rural population, have resulted in the formation of slum areas adjacent to the large cities.

The overall percentage of illiterates among Brazilians over fifteen years of age is 33%. In the rural areas, however, this percentage is higher. The school drop-out rate is extremely high - 95% between the fourth and sixth grade alone. The government has set three major objectives in education -- to improve the quality of instruction, to raise enrolment and to integrate education with Brazil's policy for scientific and technological development. The proportion of the national budget assigned to education has risen from 5.6% in 1963 to 11.3% in 1969 to 15% in 1973.

### 3. Constitution and Government

The Brazilian Constitution establishes a presidential system with three levels of power: the executive, the legislative and the judicial. Legislative power is exercised by the National Congress which is composed of the Chamber of Deputies and the Federal Senate. Executive power is exercised by the President of the Republic, aided by the Ministers of State. Judicial power in the Union is exercised by the Supreme Federal Tribunal, the Federal Recourse Tribunals and Federal Judges.

The United States of Brazil is a federal republic now comprising twenty-two states, four territories and the Federal District.

A new constitution was promulgated on October 17, 1969, in which conditions for the establishment of political parties are eased. Congressional representation will be achieved when 5% of the total electorate votes for a party, with a minimum of 7% of the vote in each of the seven States.

The actual President is General Emilio Garrastazu Medici.



## STRUCTURE OF THE ECONOMY

### 1. General

The favourable economic expansion of 1968-1971 provides a solid basis for the optimism regarding the outlook for the 1970's.

In 1971, Brazil's GNP growth rate of 11% was higher than that of any other country in the world, with the industrial and agricultural sectors increasing 11.4% and 11.2% respectively. This was the climax to a four-year period of rapid expansion after 1967, when the policy of economic restraint started in 1964 was loosened. Growth of the GNP in 1969 was 8.5% and in 1970 was 9%. The growth rate for 1972 has been estimated at 10% for the GNP, with rises of over 12% in industrial production and over 8% in agriculture; a 3% reduction in the rate of inflation and a 15% rise in export earnings.

Economic development in Brazil is taking place through accelerated growth of the industrial sector. Brazil's principal industries are the production of automobiles, iron and steel, food processing, textiles and chemicals. Industry accounts for approximately 35% of the GDP and 18% of the labour force. It is mostly concentrated in the Sao Paulo area which accounts for about 60% of the country's industrial output.

Agriculture continues to play an important role in the economy and more attention is being given to developing this sector in government policies. Agriculture employs about 44% of the labour force and accounts for nearly 20% of the GDP. Agricultural products are the major earner of foreign exchange, accounting for nearly 60% of Brazil's exports. Coffee alone, accounted for 27% of total exports in 1971. Other important products are cotton, sugar, tobacco and rice. Livestock production is also of substantial importance to Brazil.

Recent efforts have been made to develop the country's fishing industry, having as its aim 900,000 tons a year.

Brazil has vast untapped resources of hydro-electricity and major projects are underway on the Parana River.

The recent economic policies of the Brazilian Government toward stabilizing the economy and curbing inflation have generally been successful. Looking to the future, there is no doubt that Brazil has tremendous economic potential.

The basic aims of Brazil's economic development policy are to increase, significantly, its own industrial capacity and limit import dependence to such commodities as fuel, chemical products and capital goods.



## 2. Agriculture

Agriculture is the principal field of employment in Brazil and agricultural products comprise the major part of Brazilian exports. About 60% of Brazil's foreign exchange is derived from agricultural exports. Brazil leads in the export of coffee and is one of the world's largest supplier of cocoa, sugar, sisal, cotton, vegetable oils and waxes. The country is self-sufficient in most agricultural products except for a few temperate zone commodities such as wheat.

Agricultural production in 1971 increased by 11%. This was due to the 120% gain in coffee production after the poor year 1970. The increase for 1972 was estimated at approximately 8%.

According to the Oxford Economic Atlas of the world, land use in Brazil is as follows:-

|                                |       |
|--------------------------------|-------|
| Arable and orchard             | 2.2%  |
| Permanent meadows and pastures | 15.6% |
| Forest and woodland            | 46.5% |
| Waste and unproductive land    | 35.7% |

Approximately 45 million acres are cultivated with the major portion being in the four southern states of Sao Paulo, Parana, Santa Catarina and Rio Grande do Sul. Characteristic of the agricultural sector in Brazil is the number of small plots (minifundia). According to a government survey in 1965, 90% of the farms were 250 acres or less, but accounted for only 20% of the total farm area. They were considered subsistence farms. Large estates of 25,000 acres or more constituted one-half of 1% of the number of farms but accounted for 14% of the total farm area.

The following reflects the general distribution of the agricultural sector of the economy among the regions of the country.

- North: rubber, wood and Brazil nuts
- Northeast: livestock, babussu, carnauba wax and oiticica oil
- East: livestock, cocoa, coffee, manioc, beans and rice
- South: sugar, rice, dairy products, corn, coffee and wheat.
- Central-West: livestock and subsistence food crops.



According to the Europa Year Book, the production of selected crops 1967-1970, in Brazil was as follows:

|                                 | AGRICULTURE<br>('000 tons) |        |        |        |
|---------------------------------|----------------------------|--------|--------|--------|
|                                 | 1967                       | 1968   | 1969   | 1970*  |
| Coffee                          | 3,015                      | 2,115  | 2,507  | 1,726  |
| Cotton (Ginned)                 | 1,692                      | 1,999  | 2,111  | 2,173  |
| Maize                           | 12,825                     | 12,814 | 12,693 | 15,381 |
| Beans ( <i>Feijão</i> )         | 2,547                      | 2,420  | 2,200  | 2,305  |
| Rice (unhulled)                 | 6,792                      | 6,052  | 6,394  | 7,482  |
| Manioc                          | 27,268                     | 29,203 | 30,074 | 31,181 |
| Wheat                           | 629                        | 856    | 1,374  | 1,657  |
| Potatoes (incl. Sweet Potatoes) | 3,692                      | 3,727  | 3,682  | 3,717  |
| Sugar Cane                      | 77,087                     | 76,611 | 75,247 | 91,113 |
| Cocoa                           | 195                        | 149    | 211    | 226    |
| Oranges                         | 2,505                      | 2,717  | 2,897  | 3,339  |
| Tobacco Leaf                    | 243                        | 258    | 250    | 244    |
| Bananas (mill.)                 | 8,056                      | 8,437  | 9,266  | 9,871  |
| Ground Nuts (unhulled)          | 751                        | 754    | 754    | 928    |

\* Provisional figures.

Brazil is the largest coffee-producing country in the world, accounting for over one-third of the world's coffee supply.

Previously, coffee provided over one-half of Brazil's export earnings, but with the rest of the economy expanding, the country's dependence on this product has been reduced. In 1971, coffee accounted for 27% of total exports compared to 41% in 1968. Nevertheless, coffee is expected to remain of major importance to the economy.

During most of the 1960's over-production of coffee was a problem and a large amount of money was spent to encourage farmers to diversify to prevent further build up of stocks. This diversification programme was just completed when frost hit Parana, the leading producer, followed by drought in Sao Paulo, another major producer. A serious threat to Brazil's coffee production at the present time is the spread of coffee rust disease which is affecting the major producing areas.

The ideal production level to cover both domestic and export demand is about 28 million bags. In 1970, production was less than 10 million bags. In 1971, production increased about 120% but no significant increase in production occurred in 1972.

Brazil is a member of the International Coffee Agreement (ICA) which has considerable influence in the coffee trade and the orientation of the flow of exports. Brazil's marketing policy at the present time appears to be that it would prefer to export less coffee at a higher price rather than more at a lower price.



The trend towards increasing use of instant coffee offers Brazil the opportunity of significantly increasing its exports of manufactures.

Cotton is also an important export crop, and in 1971 accounted for 5% of Brazil's total exports. Parana is the chief cotton producing state. The main buyers are Germany (East and West), the Netherlands, Hong Kong, Japan and Belgium-Luxembourg.

Brazil is an important world producer of sugar. Production is controlled by the government through the Sugar and Alcohol Institute. Annually a production plan is set, establishing a quota for domestic consumption of sugar and an allocation of exports of raw sugar and setting the prices of sugarcane and sugar.

Other export crops of importance to the country besides coffee and cotton are soyabean, sisal, cocoa, tobacco and nuts.

Farm productivity in general in Brazil is low. Due to the smallness of the farms many are not suitable for mechanization and the use of fertilizers is limited because of relatively high prices.

Other problems hindering agricultural development have been inadequacy of transportation facilities, insufficient capital and credit availability, as well as outdated agricultural methods. In addition, an insufficient network of warehouses and silos has been a serious deterrent to growth. The lack of storage facilities often forces the farmer to dump his total current production on the market.

Since 1964, and particularly in recent years, the government has been placing more attention on agriculture realizing the importance of food prices in controlling inflation and the export potential of other agricultural products besides coffee.

Various measures are being undertaken by the government to ensure that the present growth rate is maintained or improved upon and much of the present investment in infrastructure is related to the agricultural sector. A land reform programme designed to bring currently unused land into production, as well as providing work and land for some of the unemployed people in the North-East is underway.

In 1970, a National Integration Program (PIN) was instituted whose objectives include extending agricultural services to the Amazon Basin, integrating the settling of the Amazon Basin with that for developing the Northeast, and redirecting migration from the Northeast to this area rather than the major urban centres.



In addition, the Central Bank has established a Guided Rural Credit Program, providing loans to small-scale farmers and stock breeders in the Northeast and Amazonia.

In 1971, the Government evolved a program giving agrarian reform in the North and Northeast top priority. The main objectives are to finance the purchase of land for small and medium sized-farms, promote increased production of agricultural inputs, finance the expansion and modernization of agro-industrial undertakings (particularly sugar-refining) guarantee minimum export prices and develop research programs. This complements the work of PIN in the same area.

### 3. Livestock

Breeding and raising livestock is one of the basic factors in Brazilian agriculture. Brazil ranks third on the world basis in numbers of cattle and hogs. The following table shows an increasing trend in the animal population in Brazil.

| YEAR     | LIVESTOCK<br>('000) |        |                      |        |        |        |
|----------|---------------------|--------|----------------------|--------|--------|--------|
|          | CATTLE              | HORSES | DONKEYS<br>AND MULES | PIGS   | SHEEP  | GOATS  |
| 1965 . . | 90,505              | 9,344  | 7,707                | 63,534 | 22,312 | 14,258 |
| 1966 . . | 89,969              | 9,155  | 7,603                | 62,080 | 22,170 | 13,927 |
| 1967 . . | 89,896              | 9,238  | 7,775                | 63,406 | 23,065 | 14,392 |
| 1968 . . | 92,739              | 9,176  | 7,826                | 64,924 | 24,606 | 14,815 |
| 1969 . . | 95,150              | 9,100  | 7,751                | 65,867 | 24,449 | 14,637 |
| 1970 . . | 97,864              | 9,114  | 7,745                | 66,374 | 24,727 | 14,609 |

Source: The Europa Year Book.

Large areas of the centre of Brazil, notably the southern part of the State of Goia and parts of the State of Bahia as well as the States of Minas Gerais, Mato Grosso, Sao Paulo, Rio Grande do Sul, are eminently suitable for the raising of cattle. The State of Sao Paulo is by far the largest poultry-producing area in Brazil.

Greater numbers of cattle and pigs occur in Brazil than in Argentina. Beef production, however, is considerably lower and beef exports much smaller. The fundamental reason for the low exports, as compared with Argentina, is that Brazil has a much greater home market to serve, although deficiencies in transport facilities and packing plants also contribute to the situation.



Brazil ranks, after Argentina, as the second largest exporter of hides and skins in South America. It imports regularly pure bred animals which are sold to farmers for crossing with the native stock. Dairying is not developed as a highly specialized industry.

Incentives are given to ranch owners to expand and improve cattle stocks, which could provide a significant export industry as well as a substantial boost to the Matto Grosso area.

#### 4. Forestry

Roughly 56% of the country is covered by three major forest areas: the Amazon tropical rain forest, the coastal subtropical rain forest along the eastern seaboard and the Parana Pine Forests of the temperate southern highlands.

According to the FAO's World Forest Inventory, Brazil had 12.0% of the globe's forest, second only, after the Soviet Union, in total forest area. However, in accessible forest, Brazil ranks fourth, after the United States, Canada and the Soviet Union.

About three million hectares of the forest being utilized are in coniferous trees, 84.9 million hectares in non-conifers, and 1.0 million hectares in mixed stands. Except for one coniferous type (the so-called Parana pine), the trees are broad leafed).

Apart from timber, the forest provides such valuable commercial products as rubber, carnauba wax, babasow nuts, oiticica and Brazil nuts, the exports of some of which are more important than exports of timber.

The broad range of latitudes, altitudes and soils to be found in Brazil is conducive to wide variations in the composition of the forest. The exploitation of the forest has been limited in various areas by the problems of accessibility, transportation, and labour shortages. Most of the logs cut in Brazil are used for fuel. The Parana pine is the most important tree from a commercial standpoint.

Lumber occupies an important place among Brazil's exports.

Brazilian forests of the north yield thousands of tons of Brazil nuts which are exported to England and the United States. The total export of nuts from Brazil in 1970 was U.S.\$13.6 million.

The state of Parana is carrying out a reforestation project which envisages the planting of some 200 million trees between 1970-1974.



In 1966, the Brazilian Forestry Industry (IBDF) instituted an incentive program whereby a certain percentage (originally 50% later reduced to 35%) of corporate income tax could be channelled directly by companies of any business into reforestation projects. This program has been most successful and has resulted in pulp and paper producers planting their own forests. Under this program one billion trees have been planted in southern Brazil to date. These plantations are ideally suited for mechanical harvesting.

With the colonization program taking place in conjunction with the construction of the Amazon highway, sawmilling may be one of the activities by which these settlements enter economic life. Presently, however, Southern Brazil is the centre of pulp, paper and sawmilling operations. The States from Espirito Santo south to Rio Grande do Sul account for 95% of paper production and 98% of pulp production. The States of Santa Catarina and Parana produce over 90% of softwood lumber, plywood and chipboard.

Pulp and paper production is expanding, and major reorganization and expansion is taking place within the pulp and paper industry. Traditionally the industry has been dominated by a few large firms, with many others supplying small tonnages and specialized markets. The government is attempting to increase the average size of production units by granting import duty exemptions on foreign equipment and by other means to projects having a capacity of at least 200 tons a day.



## 5. Fishery

Despite Brazil's extensive coastline and thousands of miles of rivers and streams, the Brazilian fishing industry is not large and fish makes a comparatively small contribution to the diet of Brazil's populace. The Brazilian fishing industry has very low productivity. Lack of adequate equipment leads to an average catch of a little over one-half ton yearly per fisherman, in comparison with 60 tons for the Norwegian fisherman.

In 1962, the Superintendency of Fishery Development (SUDEPE) came into being, as a federal autonomous agency. It has for its main objective the preparation and promotion of a national plan for fishery development. The new legislation grants special incentives to fishing. Until the fiscal year 1972, the importation of fishing boats, equipment, machinery, accessories, spare parts, tools and necessary outfits for the fishing industry will be exempt from import duties, from the tax on industrial goods and from customs clearance taxes, provided the importation is made by legal entities in accordance with projects which have been approved by SUDEPE.

Similar exemptions are granted to the importation of machinery, equipment, spare parts, tools and accessories by firms engaged in the production of capital goods and of items designed for utilization in the catching industrialization, transportation and commercialization of fish.\*

With these incentives, some progress is being made in overcoming the greatest obstacles to the development of the fishing industry, which have been its lack of modern equipment and the inadequacy of refrigerated storage space and transportation facilities.

The reported fish catch, 1964-1969, in Brazil was as follows:

FISHING  
(metric tons)

| 1964    | 1965    | 1966    | 1967    | 1968    | 1969    |
|---------|---------|---------|---------|---------|---------|
| 377,008 | 422,289 | 435,787 | 429,422 | 500,387 | 501,197 |

Source: The Europa Year Book

\*According to projects approved by the Ministry of Industry and Commerce.



## 6. Industry

Even before the Second World War, manufacturing was an important part of Brazil's economic activities. However, the difficulties and opportunities during the War did much to consolidate and foster Brazilian industry. Industrial expansion has been the most significant feature of the Brazilian economy in recent decades.

In 1969, 1970 and 1971, industrial production rose about 11% annually and in 1972 growth was approximately 12%. The share of industry in the GDP has increased from 32% in 1967 to nearly 35%.

Initially, Brazil's industrial development consisted primarily of the production of consumer goods, but during recent years the heavier type industries have begun to assume importance. Now, Brazil has a large, relatively sophisticated industrial sector, ranging from basic industries such as steel, chemicals and petro-chemicals to finished consumer goods.

Investment in industry has grown rapidly, although an important part of the increased capital represents the reinvestment of reserves and of profits earned by foreign investors who have not been able to remit them abroad. With surplus capacity low, future growth will require continued high levels of investment, but it appears that this will be available. Investment approved by the Council for the Development of Industry in the first half of 1972 was 35% higher compared with the same period in 1971.

The Brazilian Government has adopted a programme of encouraging the production of basic manufactures. This has produced pressure on foreign exchange resources for the purchase of capital equipment.

On an individual basis, food processing industries lead in value of output. Metal processing, chemicals, textiles and transportation are also important and together with food account for almost two-thirds of total production. Other important groups include machinery, non-metallic minerals, electrical and communications equipment, wood furniture, paper, clothing and shoes, rubber and leather.



The metallurgical, chemical, transport equipment and capital goods industries have been the most dynamic manufacturing sectors in recent years and are expected to continue to be so in the 1970's. The annual capacity of the steel industry is expected to rise from 6 million tons in 1971 to 11.2 million tons in 1974 and larger relative increases are anticipated for caustic soda, soda ash, thermoplastics and fertilizers. A \$126 million petrochemical complex just opened by a state-private consortium is expected to have an annual production of 900,000 tons by 1976. Motor vehicle production which increased from 226,000 units in 1967 to over 500,000 in 1971 is expected to continue expanding substantially. Based on the expansion of these industries, the mechanical and electrical equipment industries are also expected to expand significantly.

The areas adjacent to the cities of Sao Paulo, Rio de Janeiro and Belo Horizonte are the most highly industrialized sections of the country. Sao Paulo is one of the largest industrial centres in South America and accounts for nearly 60% of Brazil's industry.

The Government has been trying to decentralize industrial production by diverting industry to other areas, for example, the Paraiba Valley, between Sao Paulo and Rio de Janeiro. Special incentives offered by the government have resulted in the establishment of a variety of new enterprises in Recife. Several important car producers are opening new plants in this area.

In general, industry in Brazil is privately owned with the exception of a few government controlled corporations operating in heavy industry and in transportation and communications. The Government has a monopoly in petroleum development.



The production of selected commodities in Brazil 1968-1970 was as follows:-

INDUSTRY

|                                 | UNIT               | 1968    | 1969    | 1970      |
|---------------------------------|--------------------|---------|---------|-----------|
| Crude Petroleum . . .           | ('ooo cu. metres)  | 9,510   | 10,170  | 9,686*    |
| Asphalt . . .                   | (tons)             | 673,024 | 648,638 | 702,295   |
| Electrical Power . . .          | (million kWh.)     | 38,181  | 41,648  | 45,400    |
| Steel Ingots . . .              | ('ooo metric tons) | 4,453   | 4,925   | 5,390     |
| Rolled Steel . . .              | { " }              | 337     | 355     | n.a.      |
| Shaped and Steel Bars . . .     | { " }              | 796     | 760     | n.a.      |
| Steel Plates . . .              | { " }              | 1,442   | 1,621   | n.a.      |
| Cement . . .                    | { " }              | 7,241   | 7,781   | 8,811     |
| Pig Iron . . .                  | { " }              | 3,369   | 3,717   | 4,205     |
| Sugar . . .                     | { " }              | 4,204   | 4,216   | 5,070     |
| Aluminium Ingots . . .          | (tons)             | 51,505  | 56,069  | n.a.      |
| Aluminium Rolled Products . . . | { " }              | 26,319  | 37,207  | n.a.      |
| Paper . . .                     | { " }              | 800,684 | 849,192 | 1,081,000 |
| Fertilizers . . .               | { " }              | 603,433 | 625,945 | n.a.      |
| Tyres . . .                     | ('ooo)             | 6,581   | 6,930   | 8,467     |
| Motor Vehicles . . .            | { " }              | 279     | 352     | 416       |

\* Including 151,720 cubic metres of natural gas liquids.

In 1970, Brazil revised its national manufacturing policy. The two principal objectives are to promote a more balanced participation between public and private enterprises and to place more emphasis on exporting by the national industries. To accomplish this, the Programa de Intergracao Social was created to provide medium-term working capital loans to private firms, the Fundo de Reorganizacao e Modernizacao to raise the efficiency of traditional manufacturing industries, and the Conselho de Desenvolvimento Industrial (CDI) was reorganised to improve the administration of national manufacturing policies.



Iron and Steel Industry: With its large deposits of iron ore, the creation of an iron and steel industry was a natural development for Brazil, and its expansion has received great impetus in recent years with the increasing demand from various industries for steel products.

Brazil's steel plants are located in the States of Minas Gerais, Sao Paulo and Rio de Janeiro because of ores in Minas Gerais and because of transportation facilities for imported coal, and the large markets of Sao Paulo and Guanabara States.

Total steel production in Brazil presently accounts for around 6.4% of industrial production, 1.8% of G.D.P. and 1% of world production. Brazil exports steel to 40 countries with Argentina taking nearly two-thirds.

The three large state corporations, The National Steel Company (C.S.N.), Usinas de Minas Gerais (Usiminas) and the Companhia Siderurgica Paulista (Cosipa) are involved mainly in producing flat-steel products which account for approximately 55% of total production. More than 40 private companies produce other types of steel and the Government has been trying to encourage them to work on a co-operative basis.

Brazil produces around 95% of its steel requirements, but imports large quantities of special steels.

The major consumers are the construction, motor vehicle and printing and packaging industries followed by the railways. Shipbuilding is of growing importance.

Brazil's steel production has increased each year since 1968 and Brazil is currently the largest steel producer in Latin America.

Although the demand for and production of steel in most western countries has been pretty static or fallen the past two years, in 1971 in Brazil consumption rose 28% and production increased 11.8%.

Steel Production in Brazil 1967-1971  
'000 Metric Tons

|      |    |    |    |    |       |
|------|----|----|----|----|-------|
| 1967 | .. | .. | .. | .. | 3,732 |
| 1968 | .. | .. | .. | .. | 4,452 |
| 1969 | .. | .. | .. | .. | 4,920 |
| 1970 | .. | .. | .. | .. | 5,364 |
| 1971 | .. | .. | .. | .. | 6,000 |

Source: United Nations Monthly Bulletin



A major expansion program for the steel industry is planned over the next decade with a target of 20 million tons or more by 1980. The three state corporations will be responsible for one half of this goal.

Heavy foreign investment will be required for the expansion program, with the public share alone being around \$U.S. 600 million. Much of this has already been obtained from the World Bank and the American Export-Import Bank. Nippon Steel has also agreed to finance a steel mill using iron ore from Amazonia.

Motor Vehicles: The motor vehicles industry began to develop after the Second World War. Initially, its aim was to produce replacement parts for imported vehicles, but it later directed its efforts to producing parts for the first assembly plants installed in Brazil.

In the decade between 1957-1967, the assembly of cars and trucks in Brazil had increased approximately seven-fold. During this period, domestically produced vehicles almost completely replaced imports and Government decrees forced manufacturers to increase the domestic content of locally assembled vehicles to about 99%.

In Brazil, there are ten manufacturers of vehicles. Manufacturing costs are high by world standards. A light truck manufactured in Brazil, with 99% domestic content, costs 80% more than an imported truck\* .

Subsidiaries of foreign companies have played a major role in the development of the motor vehicle industry and account for about two-thirds of the annual output. The industry, however, is still a high cost producer. The prices per unit are much higher than the prices of comparable units produced in Canada or the United States.

\* Source: Jack Baranson: Automotive Industries in Developing Countries - World Bank Report, May 1968.



Brazil is today among the ten largest world producers of motor vehicles. The principal plants are Ford, General Motors, Volkswagen, Mercedes Benz and Berliet, Alfa Romeo and Fiat.

Volkswagen is the major producer in Brazil accounting for nearly 58% of production in 1971. The company planned to raise its output from 1,200 to 1,600 units per day by the end of 1972. It is however, facing stronger competition from the American makers who plan to introduce smaller models in 1973. Toyota is also producing in Brazil. However, the most serious threat to Volkswagen is the plan of Fiat to set up a new plant in Minas Gerais to produce 150,000 cars a year.

More than other Latin American car-producers, Brazil has joined the world trend in narrowing down the range of models and using up idle productive capacity.

Some Brazilian manufactures are finally getting into the export market. Chrysler sends truck cabins to its Argentine subsidiary, Ford to Buenos Aires. Ford is also investing in a plant to make engine blocks for parent company in Detroit, and Volkswagen exported \$15 million worth of finished vehicles to Peru the first four months of 1972 compared to \$1.7 million in 1971.

The production of motor vehicles has increased steadily since 1965 and in 1971 reached a record level of 515,000 units. At present growth rates, production is expected to reach 1 million by 1976. Nearly \$540 million will have been invested between 1970-1975 in expansion programs and introducing new models.

Motor Vehicle Production 1965-1971  
000's

|      | <u>Automobiles</u> | <u>Commercial Vehicles</u> | <u>Total</u> |
|------|--------------------|----------------------------|--------------|
| 1965 | 115                | 72                         | 187          |
| 1966 | 135                | 90                         | 225          |
| 1967 | 141                | 85                         | 226          |
| 1968 | 169                | 109                        | 278          |
| 1969 | 243                | 109                        | 352          |
| 1970 | 255                | 161                        | 416          |
| 1971 | 363                | 152                        | 515          |

Source: United Nations Bulletin



Electrical Industries: Brazil produces a wide range of electrical goods from appliances and electrical equipment and machinery to telecommunications equipment.

Brazil is manufacturing TV sets, radios, phonographs, domestic refrigerators, air conditioners, washing machines, floor polishers, blenders, vacuum cleaners, etc.

Brazil produces transmission lines, insulators, high tension cables, transformers, circuit breakers, etc. It also produces all kinds of electric motors, diesel engine alternators, etc. Production of heavier types of electrical equipment is however limited and the output of these is not large.

Some electrical equipment is still imported by Brazil, as well as a small percentage of components for machinery produced in the country.

In 1971, the electronics industry increased production by 18%, the most notable rise being in air conditioners, ventilators, refrigerators, radios and televisions. In 1971, Brazil started producing colour television sets, but the price is very high.

The problem of the electronics sector is idle productive capacity estimated at 40% for the industry as a whole, due to small-scale operations. Closer integration with the big world producers is probably a solution, which would also open up new export possibilities.

The Government's ambitious telecommunications plan will provide a lot of business for some local companies.

Textile Industry: The textile industry occupies an important place in Brazilian manufacturing. The most important is the manufacture of cotton goods, followed by the wool, rayon and flax industries. It is the largest single industry, employing over 255,000 workers in some 2275 establishments.

In Brazil, there are several hundred cotton mills, mainly in Sao Paulo, Recife and Rio de Janeiro. The industry has had a number of difficulties to contend with in recent years.



A sharp rise in the price of cotton inside Brazil, the fact that exports no longer enjoy the same importance as they achieved in World War II and post-war years, and Government restrictions against imports of cheaper cotton from world markets, were some of the reasons for continued difficulties.

The woollen textile industry is old and established but further expansion has not taken place in recent years. The industry is moving steadily towards producing finer qualities, and imports of fine quality worsteds have been progressively reduced. The use of artificial and synthetic fibres in Brazil is increasing.

Problems facing the textile industry have been the number of small firms competing against each other and the high degree of obsolescence in the textile machinery in Brazil.

The Brazilian Government has worked out a large textile re-equipment program with an estimated total cost \$264 million. Emphasis is being placed on mergers and export promotion.

Food Industries: A large number of industries is concerned with the preparation of foodstuffs. Meatpacking is important, especially in the southern States; flour milling is important in the Rio de Janeiro area, where it is based upon imported wheat. There are nearly 300 sugar refineries in the north; dairy products are produced in the Eastern and Southern States.

Chemicals: A very wide range of chemical products is now manufactured in Brazil, frequently by subsidiaries of foreign firms. The manufacture of pharmaceutical products is well established.

In paints and varnishes, inks and cleaning products, Brazil is practically self-sufficient. Production of fertilizers has also developed. More recently, Brazil has made considerable progress in the manufacture of plastics.

Petrochemicals is now a major growth industry, as were motor vehicles in the 1950's and shipbuilding and iron and steel in the 1960's.

A new petrochemical complex has been opened by Petroquimica Uniao, a mixed venture composed of the state petrochemical



company Petroquisa, a major private oil refinery and the Moreira Salles banking group. It is expected to produce 900,000 tons of petrochemicals products by 1976. The consortium's emylene plant will have an annual output of 310,000 tons and butadene, xylenes and polyethylene will also be produced.

Foreign investors are interested in this sector and Shell de Brasil, ICI and Dow are planning to set up a new complex in the Sao Paulo area with Petroquisa.

There are a number of factors favouring Brazil's growing petrochemical industry.

One is Brazil has a constantly expanding domestic market for these products; for example, the tire manufacturers and their continuous demand for synthetic rubber.

Secondly, there is a guaranteed supply of naptha from the state petroleum corporation, sold at a fixed dollar contract under a 10 year contract.

Thirdly, Brazil can practice economies of scale, as the market for products is largely through long-term contracts and self-absorption by big conglomerates such as Union Carbide.

Pulp and Paper Industry: The pulp and paper industry is concentrated mainly in the South, near the more populated consumer centres. Domestic production covers a significant part of domestic needs. The gap between domestic production and consumption is filled by imports.

The development of pulp and paper is hampered by the lack of private investment and a shortage of adequate basic raw materials.

Parana Pine, which has excellent fibre, is dwindling rapidly due to increasing depletion of the lumber industry. Eucalyptus has become a substitute for pinewood in making pulp, due to its very short growth cycle.

Cement Industry: The Brazilian cement industry has been expanding vigorously. From 774,387 metric tons in 1945, production increased to 7,300,000 metric tons in 1968, and 9,700,000 metric tons in 1971.

The output of Portland cement is sufficient to meet Brazil's needs, but transport difficulties continue to obstruct the fulfillment of the demands for cement in some regions. To bridge the gap between production and consumption of cement, Brazil is importing cement.



### Shipbuilding

Brazil's shipbuilding is small on a world basis, but the Government's plan to increase the size of the national merchant fleet from 2.5 million tons to 4 million tons by 1975, has given local shipbuilders a large stimulus.

The major builder Companhia Comercio e Navegacao has been building coasters, tankers, automated cargo liners and off-shore oil-rigs. The other major shipbuilder is Ishikawajima which recently won a contract for five 130,000 ton superfreighters.

The long term hopes of Brazilian shipbuilders lie in building for exports, but prospects currently are poor, due to the present world situation of over capacity.

### 7. Mining

Known mineral resources are almost unlimited in variety and size of reserves, and further exploration continues to add new discoveries. Iron ore reserves are especially large and constitute an important export. An extensive petroleum exploration programme is underway.

Recent surveys have revealed unknown quantities of uranium in the Serra da Moeda and zinc, aluminium and phosphates in the state of Minas Gerais. Copper deposits estimated at 150 million tons have been discovered in Bahia State.

The Brazilian production of selected minerals, 1964-1969 was as follows:-

#### **MINING**

|                                | 1964   | 1965   | 1966   | 1967   | 1968   | 1969   |
|--------------------------------|--------|--------|--------|--------|--------|--------|
| Bauxite . . ('ooo metric tons) | 132    | 188    | 250    | 303    | 314    | 362    |
| Coal . . (' " " )              | 2,990  | 3,137  | 3,666  | 4,339  | 4,828  | 5,127  |
| Iron Ore . . (' " " )          | 16,962 | 20,753 | 23,254 | 22,298 | 25,123 | 27,157 |
| Manganese Ore . . (' " " )     | 1,349  | 1,396  | 1,455  | 1,358  | 2,097  | 2,011  |
| Lead . . (' " " )              | 236    | 267    | 332    | 296    | 321    | 341    |
| Dolomite . . (' " " )          | 330    | 223    | 201    | 225    | 353    | 707    |
| Sea Salt . . (' " " )          | 754    | 1,200  | 1,433  | 1,087  | 1,248  | 1,630  |
| Gold . . . . (kilos)           | 4,433  | 4,822  | 5,224  | 5,368  | 5,325  | 5,354  |
| Silver . . . . ( " )           | 9,458  | 7,085  | 6,916  | 14,888 | 14,296 | 12,170 |



According to recent studies, the present known Brazilian iron ore reserves are estimated at 40 billion metric tons. In 1970, iron ore production amounted to 30 million tons, an increase of 10% over 1969.

Brazil is the world's third largest producer of manganese ore. Its known reserves are estimated at 152.5 million tons. The U.S. is the most important buyer of Brazilian manganese.

Brazil has some limited reserves of coal of inferior quality and had to import about one million tons in the past few years.

Brazil currently produces about half its domestic crude oil demand and refines about 97% of its oil product requirements. In 1971, crude oil production amounted to 5 million metric tons compared to 8.2 million metric tons in 1970 and 8.4 million metric tons in 1968.

The Brazilian Government has a monopoly on all petroleum activities, excluding the distribution of oil products and the petrochemical industry. This monopoly is carried out by a federally-controlled company - Petrobras.

Despite the fact that mineral resources of Brazil have not been developed in proportion to potentialities, mineral production has increased considerably since the early 1950's.

Nevertheless, Brazil has a high rate of imports of minerals which could be produced at home. Imports account for about 60% of domestic mineral consumption.

Excluding fuels, the main imported raw minerals are asbestos, cassiterite, sulphur and natural sodium nitrate. Brazil also imports the following metals: copper, aluminum, nickel, lead, zinc, tin, iron and steel.

Traditionally Brazil has tried to keep its mineral resources under Government control. It has however, recently announced a change in mining policy, and now is encouraging "private national" capital to develop the country's mineral resources. This change has been bought about by the low rate of production in relation to the high level of imports. While the position of foreign capital has not



been clarified, it will undoubtedly be required and in fact foreign companies are already involved to some extent in Brazil's mining. For example, United States Steel Corporation, Hannah Mining Corporation, Alcan, Alcoa and Rio Tinto. This new mining policy is in direct contrast with those of other Latin American countries.

## 8. Finance

a) The Monetary System: The unit of Brazilian currency is the cruzeiro. In August, 1968, Brazil put in force a special system of adjustment in the exchange rate. The exchange rate is based on consideration of relevant price trends and the level of foreign reserves. The exchange authorities are now following a system of 'mini-devaluations', i.e., small adjustment at frequent but irregular intervals to keep the exchange rate approximately in line with the rise of internal prices.

The exchange rate, Cruzeiros per U.S. dollar at the end of the period 1965-1972 was as follows (free rate):

| <u>1965</u> | <u>1966</u> | <u>1967</u> | <u>1968</u> | <u>1969</u> | <u>1970</u> | <u>1971</u> | <u>October<br/>1972</u> |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------------------|
| 2,220       | 2,220       | 2,715       | 3,830       | 4,350       | 4,950       | 5,635       | 6,095                   |

Foreign exchange reserves amounted to US\$2.7 billion in July 1972.

The improved fiscal record of the Brazilian government in recent years has restored creditor confidence to a great degree. There is also evidence of considerable success in increasing government revenues through improved tax collections and in stabilizing government expenditures, a traditionally principal source of inflation.

World Bank loans to Brazil in 1971, amounted to US \$256.4 million. I.D.B. loans totalled US\$ 138.4 million and Inter-American Development Bank loans amounted to US \$148 million, and Eximbank US \$93.1 million



b) Banking and Insurance: Banking in Brazil has undergone considerable changes over the past ten years. Prior to 1964, there was no central bank. This function was shared by the Bank of Brazil and various government agencies, especially the Superintendency of Currency and Credit. In 1964, a Banking Reform law was introduced which created Banco Central do Brazil and a National Monetary Council. Contrary to usual practice, the Central Bank does not set monetary policy, but acts as the agent of the National Monetary Council. Brazilian national monetary institutions include the National Monetary Council, the Central Bank and the Banco do Brazil.

The Central Bank of Brazil performs various important functions. It issues currency and coins under conditions and limits authorized by the National Monetary Council. It controls foreign capital, authorizes and supervises financial institutions in the country and is an instrument of Brazilian monetary policy. The Central Bank operates exclusively with public and private financial institutions.

The Bank of Brazil, S.A. is the financial agent of the National Treasury. It supplements the activities of the banking network in the financing of exports and imports, and is the Government's tool in the execution of foreign trade policy. The Bank of Brazil, acting on its own behalf, or on behalf of the Central Bank, carries out a large proportion of all exchange transactions.

The National Bank for Economic Development (BNDE), manages the resources for financial backing of undertakings held to be fundamental to the growth of the Brazilian economy.

A notable development has been the rapid rise in the number and importance of investment banks relative to commercial banks (which lend mainly on short term) and finance companies (which have been limited to consumer financing). The investment banks lend mainly medium-term working capital. Nevertheless, total lending by commercial banks is still much greater. They are, however, less strong than in Europe and North America.

The main financial centres are Rio de Janeiro and Sao Paulo. Most of the banks and finance companies have their headquarters in one of these two cities. Rio is also headquarters for the most important government financial institutions.

In December 1968, the Royal Bank of Canada sold a 50% interest in its Brazilian subsidiary, Banco Real do Canada, to the Bank of America.



c) Investment: The success of economic development in Latin America depends on the creation of a favourable climate throughout the hemisphere for private investment. The hope is for an increased tempo in the self-help measures of Latin America.

The concept of self-help, including social, and economic reform, is a cornerstone of the Alliance for Progress which was initiated by the U.S. President Kennedy in 1961.

The Brazilian Government is making a determined effort to promote investments. Incentives offered to national capital for investment in certain regions, are also extended to foreign capital.

The only areas not open to foreign investment are domestic airlines, coastal shipping, newspapers, radio or television stations and fishing, and to some extent petrochemicals and mining. Otherwise foreign capital may enter freely into Brazil and be treated identically to local capital. Brazil does not limit the percentage of foreign ownership or its form of organization.

The inflow of new capital has quickened of late, reflecting the revival of foreign investor confidence in Brazil.

The degree of foreign participation in Brazilian industry is substantial, amounting to 22% of the capital of all existing industrial enterprises, or 32% of medium and large firms. The proportion ranges from 95% in the automotive industry and 82% in pharmaceuticals to 57% in auto parts, 55% in machinery and equipment, 45% in chemicals, 32% in foodstuffs, 32% in aluminum, 30% in paper and pulp, and 10% in cement production.

Total foreign investment in 1970 in Brazil was estimated at US\$4.75 billion. Of this US\$1.8 billion (38%) came from the U.S.. Canada is the second largest investor with US\$665 million or 14%. Other major investors include West Germany with US\$5.23 million (11%), Switzerland with US\$380 million (8%), the U.K. with US\$ 285 million (6%) and Japan with US\$235 million (5%). \*

\* Source: Business International



In 1971, foreign investment in Brazil amounted to US\$1,790 million and profits reinvested amounted to US\$1,120 million. For both the U.S. and France reinvestment was greater than investment.

The following table shows foreign investment in Brazil for the years 1970 and 1971.\*

| Country (Principals)    | Investment |       | Reinvestment |      | Totals |       |
|-------------------------|------------|-------|--------------|------|--------|-------|
|                         | US\$m.     | 1971  | US\$m.       | 1970 | US\$m. | 1970  |
| 1. USA .....            | 544        | 526   | 552          | 460  | 1,096  | 986   |
| 2. W Germany .....      | 238        | 181   | 93           | 72   | 331    | 253   |
| 3. Canada .....         | 236        | 220   | 58           | 40   | 294    | 260   |
| 4. United Kingdom ..... | 81         | 71    | 192          | 137  | 273    | 208   |
| 5. Switzerland .....    | 191        | 114   | 33           | 18   | 224    | 132   |
| 6. France .....         | 130        | 32    | —            | 2    | 130    | 34    |
| 7. Japan .....          | 125        | 102   | —            | 3    | 125    | 105   |
| 8. Sweden .....         | 58         | 28    | —            | 13   | 58     | 39    |
| 9. Belgium .....        | 54         | 38    | —            | 8    | 54     | 46    |
| 10. Luxembourg .....    | 36         | 30    | —            | 0.1  | 36     | 30    |
| 11. Netherlands .....   | 36         | 22    | —            | 1    | 36     | 23    |
| 12. Italy .....         | 32         | 28    | —            | 4    | 32     | 32    |
| 13. Others .....        | 29         | 155   | 192          | 44   | 221    | 199   |
| Totals .....            | 1,790      | 1,545 | 1,120        | 820  | 2,910  | 2,347 |

Investment in various sectors was as follows:\*

| Line (Principals)                                      | Investments<br>US\$m. |
|--|-----------------------|
| Metallurgy in general .....                            | 213.6                 |
| Mechanical industry .....                              | 123.6                 |
| Transport material .....                               | 405.5                 |
| Commerce—import and export .....                       | 82.2                  |
| Paper and Cellulose .....                              | 67.8                  |
| Timber and rubber products .....                       | 103.6                 |
| Chemical industry .....                                | 624.4                 |
| Textile industry .....                                 | 69.7                  |
| Foodstuffs .....                                       | 135.4                 |
| Beverages industry .....                               | 112.1                 |
| Tobacco industry .....                                 | 112.1                 |
| Production and distribution of electricity .....       | 141.9                 |
| Plastic products .....                                 | 17.8                  |
| Technical and Auditor services .....                   | 18.9                  |
| Administration, Representation and Participation ..... | 77.0                  |
| Mineral extraction industries .....                    | 261.0                 |

The Canadian-owned Brazilian Light and Power Company, under the terms of sale of its telephone utility to the Brazilian government, is committed to reinvest \$65 million within the country in financial, industrial and agricultural projects. To handle this activity it has created two investment subsidiaries: Organizacao e Empreendimentos Geraes, and the investment bank Brascon.



9. Public Utilities

a. Energy

The production of electricity has been increasing steadily in Brazil as can be seen from the following table.

| <u>Electricity Production 1967-1971</u> |             |             |             |             |
|---|-------------|-------------|-------------|-------------|
| <u>million kwh</u>                      |             |             |             |             |
| <u>1967</u>                             | <u>1968</u> | <u>1969</u> | <u>1970</u> | <u>1971</u> |
| 34,236                                  | 38,184      | 41,652      | 45,456      | 48,264      |

Source: United Nations Monthly Bulletin.

The development of Brazil's electric generating capacity during the past, has generally kept pace with demand, but building of the distribution system lagged behind expanding markets and this at times has meant severe problems for further industrial development. Brazil's hydro-electric potential is among the highest in the world. Recent estimates placed generating potential at 150 million kilowatts.

Installed electric generating capacity, at present some 11 million kilowatts, is expected to reach 18 million kilowatts by 1976, supported by several major hydro-electric schemes in which financial assistance provided by the World Bank will play a prominent role.

In 1970, the Inter-American Development Bank granted a third loan in support of Brazil's largest hydro-electric complex - the 4.6 million kilowatt project on the Parana River.

Brazilian Light and Power Company of Toronto is one of the largest investors in the field of utilities. With an installed capacity of 2.1 million kw and a yearly production of about 11 billion kwh, Brazilian Light and Power Company is responsible for about 37% of all electric power generated in Brazil.

In 1956 Brazil set up the National Nuclear Energy Commission (CNEN) as a civil service department directly subordinate to the President of the Republic. The country's first nuclear power generator is to be built in the State of Rio de Janeiro, with the aid of a loan of \$138 million from the American Import - Export Bank.

Natural gas production in 1971 was 1.2 billion cubic metres, compared to 1.3 billion cubic metres in the two previous years.



b. Transport

Brazilian transportation is dependent upon rail, highway and river traffic from the areas producing basic commodities to the nearest seaport, and by shipping along the coast. Recently Brazil began to develop a highway network to supplement coastal shipping.

Transport has always played a dominant role in the economic development of Brazil, because of its heavy reliance on export crops and the need to open new lands for productive use.

The size and rapid development of Brazil and its economic expansion have resulted in heavy demands on the transportation system. The inadequacy of transportation is often blamed for economic difficulties.

Brazil has very extensive inland waterways with a natural navigable extent of 19,575 miles. The rivers widely used for transportation are the Amazon, the Sao Francisco and the Parana-Paraguay.

The Brazilian coast, densely populated, has extensive ocean communications, while the interior remains low in population density and lacks adequate transportation. Road and railways are traversing from the interior to the coastal cities, with few and deficient interconnections between them.

Brazil's seaports are important to its trade, foreign as well as domestic. There are about 40 seaports, the majority of them with inadequate equipment which is leading to serious congestion problems. Therefore, the Brazilian transport policy is directed substantially towards port modernization.

The major parts are Santos, Rio de Janeiro, Vitoria, Paranagua, Sao Sebastiao and Recife.

The national fleet controlled by 34 companies with their own or chartered vessels earned approximately 38% of total freight revenues in 1971. Bulk carriers accounted for 80%.

The merchant fleet has about 350 vessels. Its present tonnage of 2.4 million tons is to be increased by 1.6 million tons by 1975, mostly through the addition of bulk carriers.



The growth of Brazilian shipping has been steady and is expected to continue. This has been due to the development of the petroleum industry and iron-ore deposits.

The number of vessels and freight entered into Brazilian ports 1966-1970 was as follows:

| SHIPPING<br>(Vessels and Freight entered) |                         |                                  |
|---|-------------------------|----------------------------------|
| YEAR                                      | NUMBER<br>OF<br>VESSELS | FREIGHT<br>('000 metric<br>tons) |
| 1966 . .                                  | 22,411                  | 62,864                           |
| 1967 . .                                  | 37,430                  | 60,506                           |
| 1968 . .                                  | 42,202                  | 68,783                           |
| 1969 . .                                  | 41,042                  | 72,591                           |
| 1970 . .                                  | 40,966                  | 81,878                           |

Source: Europa Yearbook

Roads dominate land transportation and the system moves about 70% of all internal cargo. This is a substantial increase from its 38% share in 1950 and this trend will increase.

The highway network comprises about 578,000 miles, of which 25,000 miles are national and 71,000 miles are state roads. The balance are mainly earth roads and tracks under the jurisdiction of municipalities. About 40% of the national roads and less than 20% of the state roads are paved.

The most important road development the past decade was the establishment of paved roads between major towns in the north-east and the linking of the region to the south. A highway has also been developed into the Amazon basin which has more than doubled the length of paved roads between 1963-1971. Over the next three years a large amount of money is to be invested in consolidating and extending the network.

Nearly all of Brazil's major cities suffer from serious traffic congestion.

In 1971, the number of passenger cars in use had increased to 2.2 million while the number of trucks and buses was 1.3 million.



Railways account for only 10% of Brazil's transport network compared with 50% in the U.S. and 80% in Russia. Eighty percent of the network was constructed before 1920.

In 1958, the federal railways administration R.F.F.S.A., was created which closed down the more unprofitable lines and opened new lines to Argentina, Uruguay, Paraguay and Bolivia. Nevertheless, the railways operate at a heavy loss, and investment is inadequate to complete modernization or expansion on a large scale. The 1971-1974 Development Plan allocates only 18% of all transport investment to railways compared to 70% for highways. Future railway expansion will probably be geared to specific mining developments.

Traffic on Brazilian railways 1965-1969 was as follows:-

**TRANSPORT  
RAILWAYS**

| YEAR     | NUMBER OF<br>PASSENGERS<br>('000) | ANIMALS<br>('000 tons) | BAGGAGE AND<br>PARCELS<br>('000 metric tons) | FREIGHT<br>('000 metric tons) |
|----------|-----------------------------------|------------------------|--|-------------------------------|
| 1965 . . | 405,736                           | 1,421                  | 436  | 52,747                        |
| 1966 . . | 352,177                           | 1,216                  | 350  | 53,818                        |
| 1967 . . | 345,309                           | 917                    | 218  | 54,301                        |
| 1968 . . | 367,376                           | 992                    | 176  | 59,471                        |
| 1969 . . | 355,780                           | 783                    | 149  | 65,253                        |

Source: Europa Yearbook

As a result of vast distances and the difficulties of land transport, it is not surprising that air transport has progressed so strongly in Brazil. The commercial airlines in Brazil are privately owned and operated. Two major international Brazilian airlines are Cruzeiro do Sul and Varig.

The number of passengers freight and mail handled by Brazilian aviation 1968-1970 was as follows:

**CIVIL AVIATION**  
(Embarked passengers, mail and cargo)

|                                 | 1968   | 1969   | 1970   |
|---------------------------------|--------|--------|--------|
| Number of passengers ('000) . . | 3,046  | 3,066  | 3,234  |
| Freight (metric tons) . .       | 32,878 | 39,742 | 49,346 |
| Mail (metric tons) . .          | 3,283  | 3,340  | 3,626  |

Source: Europa Yearbook



Taking the country as a whole, transport and communications are very under-developed. Many natural factors have influenced this situation, such as steep escarpments which cut off the coast from the interior, the hilly character of much of the country, the heavy, torrential rains, and the thick, wide-spread forest. These natural disadvantages are aggravated by administrative, economic and technical difficulties.

To improve this situation the Brazilian Government inaugurated a 10-Year Plan for transportation 1967-1976, which forecasts public investment in transportation of about 12.1 billion cruzeiros.

c. Communications

There is a general shortage of telephones throughout the country, although interurban connections have improved in recent years. It is expected that a further 1 million telephones will be installed over the next four years. In 1971, there were 2 million telephones in use in Brazil, an increase of 51% since 1967.

10. Tourism

In 1970, 194,187 people visited Brazil. Rio de Janeiro is the centre of the tourist trade. Brazilians and foreign tourists flock to the coast to enjoy the famous beaches.

| TOURISM<br>(Number of visitors) |         |         |         |         |         |         |
|---------------------------------|---------|---------|---------|---------|---------|---------|
| 1964                            | 1965    | 1966    | 1967    | 1968    | 1969    | 1970    |
| 125,216                         | 102,964 | 133,487 | 141,426 | 136,065 | 173,067 | 194,187 |

Source: Europa Yearbook

The Empresa Brasileira de Turismo (Embratur) is studying 115 tourist development projects of which 53 have already been given preliminary approval. Investments for the next ten years are forecast at 744 million new cruzeiros.



## FOREIGN TRADE

### 1. Structure of Brazilian Foreign Trade

Foreign trade is of vital importance to Brazil. The aims of Brazil's foreign trade policy are based on those of the nation's economic objectives as a whole; that is the attainment of a higher level of production and self-sufficiency, increasing economic growth rate, reducing inflation and balancing the international balance of payments.

The role of foreign trade in Brazil is undergoing considerable change. In the past, foreign exchange receipts from exports of coffee and other primary commodities were used primarily to finance imports for the development of import-substitution industries, which were protected by high tariffs. Brazil's import policy underwent substantial liberalization from 1964-67, and remains relatively liberal at the present time.

Principal objectives of the Brazilian tariff policy include:

1. facilitation of imports of essential goods where local production is inadequate in quantity or quality.
2. the control of imports of foreign goods considered superfluous or luxurious.
3. to promote the expansion and competitiveness of import-substitute or export industries.
4. to protect economically strategic sectors of agriculture or manufacturing sectors.

Brazil's foreign trade 1967-1971 was as follows.



Brazil's Foreign Trade 1967 - 1971  
US\$ Millions

|      | <u>Exports</u> | <u>Imports</u> | <u>Balance</u> |
|------|----------------|----------------|----------------|
| 1967 | 1,654          | 1,667          | - 13           |
| 1968 | 1,881          | 2,132          | -251           |
| 1969 | 2,311          | 2,265          | + 46           |
| 1970 | 2,739          | 2,849          | -110           |
| 1971 | 2,904          | 3,699          | -795           |

Source: Europa Year Book 1972.

Brazilian foreign trade has expanded greatly the past few years due to liberalized import policies, vigorous investment demand, more realistic exchange rate policies and export promotion efforts.

Recently, more emphasis has been placed on export expansion and diversification, with special attention being paid to manufactures, since receipts from the traditional commodity exports have generally been characterized by slow growth and excessive fluctuations, while on the other hand, world demand for manufactures has shown a more rapid rate of growth, with firmer prices. Aided by generous government incentives, Brazil's exports of manufactured goods have expanded significantly and now account for about 20% of total exports.

In December 1972, the Government outlined in general terms plans for the formation of trading companies. A decree law was issued on the fiscal incentives to be offered trading firms and how they must operate to obtain them.



Imports of manufactured goods account for about 60% of the total. The most significant import commodities groups embrace machines, vehicles and parts, chemicals as well as raw materials.

Agricultural products continue to make up approximately 60% of total exports. Coffee is the largest single commodity export. Brazil also supplies considerable quantities of iron ore and textile fibres to the world market.

Brazilian foreign trade by principal countries for the years 1968-1970 was as follows:-

PRINCIPAL COUNTRIES  
(U.S. \$'000)

|                         | IMPORTS          |                  |                  | EXPORTS          |                  |                  |
|-------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                         | 1968             | 1969             | 1970             | 1968             | 1969             | 1970             |
| Argentina . . .         | 152,728          | 155,930          | 170,740          | 118,824          | 170,887          | 185,652          |
| Belgium-Luxembourg . .  | 31,888           | 36,145           | 44,400           | 44,433           | 64,417           | 72,642           |
| Canada . . .            | 36,185           | 39,211           | 70,839           | 26,290           | 28,634           | 40,586           |
| Chile . . .             | 20,924           | 29,474           | 35,684           | 23,185           | 24,096           | 23,715           |
| Denmark . . .           | 17,846           | 46,977           | 23,658           | 35,023           | 41,121           | 53,557           |
| Finland . . .           | 14,766           | 11,820           | 14,179           | 14,304           | 23,964           | 20,028           |
| France . . .            | 71,807           | 67,148           | 88,569           | 67,827           | 99,048           | 110,048          |
| German Federal Republic | 235,910          | 286,133          | 359,461          | 147,716          | 220,055          | 235,506          |
| Italy . . .             | 73,006           | 76,073           | 87,825           | 116,923          | 164,404          | 198,271          |
| Japan . . .             | 73,113           | 105,660          | 177,804          | 58,617           | 105,287          | 144,940          |
| Netherlands . . .       | 33,801           | 38,100           | 49,797           | 102,620          | 135,080          | 154,003          |
| Norway . . .            | 20,557           | 23,263           | 22,327           | 20,884           | 27,707           | 33,385           |
| Peru . . .              | 6,721            | 8,364            | 10,158           | 6,654            | 4,874            | 7,664            |
| Poland . . .            | 14,358           | 10,870           | 11,099           | 14,946           | 18,213           | 23,841           |
| Saudi Arabia . . .      | 66,220           | 42,376           | 57,556           |                  | 32               | 19               |
| Spain . . .             | 29,470           | 22,787           | 32,241           | 45,007           | 66,527           | 107,133          |
| Sweden . . .            | 52,001           | 65,575           | 53,281           | 50,823           | 59,706           | 69,202           |
| Switzerland . . .       | 39,174           | 54,992           | 59,039           | 7,965            | 12,462           | 17,412           |
| United Kingdom . . .    | 96,240           | 90,600           | 160,870          | 72,809           | 99,202           | 129,804          |
| U.S.A. . . .            | 684,504          | 681,971          | 918,108          | 626,996          | 609,757          | 676,058          |
| U.S.S.R. . . .          | 16,975           | 16,157           | 3,491            | 24,830           | 43,674           | 21,237           |
| Venezuela . . .         | 66,708           | 60,840           | 59,012           | 3,987            | 4,530            | 8,203            |
| Other Countries . . .   | 276,957          | 294,190          | 339,105          | 250,681          | 287,492          | 406,006          |
| <b>TOTAL . . .</b>      | <b>2,131,859</b> | <b>2,264,656</b> | <b>2,849,243</b> | <b>1,881,344</b> | <b>2,311,169</b> | <b>2,738,912</b> |

Brazil is a member of the Latin American Free Trade Association. Under the LAFTA Agreement, signed in 1961, internal tariffs and related restrictions were to be eliminated on "substantially" all products by 1973. However, this schedule has been considerably relaxed.

Brazil's major trading partner is the U.S. which in 1970 took 25% of exports and supplied 32% of imports. The E.C. countries accounted for 28.1% of exports and 22.1% of imports and the L.A.F.T.A. members accounted for 11% of imports and 11% of exports.



The U.S. share of both imports and exports has declined in recent years. In contrast, trade has grown with members of L.A.F.T.A., Argentina especially. L.A.F.T.A. is particularly important as a market for Brazil's manufactured goods, taking 60-70% of exports in this category in 1970.

Trade with the East European countries has also been rising and Brazil is the most important Latin American country in East-West trading after Cuba. The balance of trade is much in Brazil's favour. Barter transactions are legal in Brazil and Brazil has arranged deals with several socialist countries for the purchase of industrial equipment in exchange for Brazilian products.

Brazil is, however, reducing the number of its formal bilateral trade and payments. Eight are now in effect compared to 10 in 1969 and 14 in 1966.

## 2. Analysis of Brazilian Imports

Brazilian imports in general consist of commodities which are not produced within the country or are produced in quantity insufficient to supply the market. The import of consumer goods is restricted by tariff and exchange controls. Imports, aside from wheat and fuels are limited generally to capital equipment, industrial raw materials and highly specialized commodities. However, the Brazilian import policy has as one of its principal aims, the lowering of the cost of Brazilian products and increasing the productivity of domestic manufacturers.

The current pattern of Brazilian imports reflects an increased need for raw materials, fuels and intermediate products.

Brazilian imports of selected commodities, 1968-1970 was as follows:

PRINCIPAL COMMODITIES

| IMPORTS                                      | 1968                 |                     | 1969                 |                     | 1970                 |                     |
|--|----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|
|  | Quantity ('000 tons) | Value (U.S. \$'000) | Quantity ('000 tons) | Value (U.S. \$'000) | Quantity ('000 tons) | Value (U.S. \$'000) |
| Live Animals . . .                           | 3                    | 2,845               | 7                    | 3,423               | 5                    | 3,895               |
| Raw and Processed Materials . . .            | 16,985               | 419,969             | 17,182               | 381,415             | 20,978               | 488,272             |
| Foodstuffs and Beverages . . .               | 3,125                | 334,387             | 2,865                | 303,075             | 2,514                | 294,523             |
| Chemicals and Pharmaceutical Products . . .  | 2,032                | 329,894             | 2,853                | 339,079             | 2,944                | 445,997             |
| Machinery, Vehicles, and Parts . . .         | 195                  | 659,413             | 211                  | 774,872             | 275                  | 1,002,067           |
| Manufactured Goods, class by materials . . . | 1,293                | 299,024             | 1,487                | 365,988             | 1,339                | 461,460             |
| Miscellaneous Manufactured Articles . . .    | 12                   | 84,968              | 11                   | 88,055              | 15                   | 132,676             |
| Gold, Coins, Special Transactions . . .      | 1                    | 7,359               | 3                    | 8,749               | 4                    | 20,353              |
| TOTAL . . . . .                              | 23,648               | 2,131,859           | 24,619               | 2,264,656           | 28,074               | 2,849,243           |

Source: Europa Yearbook



Other important Brazilian import items include fruit and vegetables, fish and preparations, crude fertilizers and minerals, coal, coke and briquettes, manufactured fertilizers, paper and paperboard, metal manufactures, and instruments, watches and clocks.

Imports have increased steadily the past five years reaching a high of US\$3,669 million in 1971, an increase of 122% over 1967. This increase can be explained in part by greater purchases of capital goods, whose share in total imports rose from 31.0% in 1967 to 38.5% in 1970. Intermediate products also increased their share of imports, from 33.9% to 37.4% during the same period. In contrast, the share of consumer and petroleum products fell by 2% to 10.6% and 8.9% respectively.

### 3. Analysis of Brazilian Exports

The Brazilian economy, similar to most Latin American countries is based upon the export of primary commodities. The share of coffee exports while declining is still of significant importance. In 1971, coffee accounted for 27% of total exports compared to 41% in 1968. Cotton accounted for 5% of 1971 exports and iron-ore 8%. This makes Brazil's economy very dependent upon the production situation at home and on prices in world markets.

The main Brazilian export products 1968-1970 were as follows:

| EXPORTS                                | 1968                 |                     | 1969                 |                     | 1970                 |                     |
|--|----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|
|  | Quantity ('ooo tons) | Value (U.S. \$'ooo) | Quantity ('ooo tons) | Value (U.S. \$'ooo) | Quantity ('ooo tons) | Value (U.S. \$'ooo) |
| Live Animals                           | 3                    | 1,199               | 4                    | 1,884               | 2                    | 1,439               |
| Raw and Processed Materials            | 18,061               | 525,894             | 24,862               | 740,947             | 32,975               | 814,639             |
| Carnauba Wax                           | 13                   | 9,162               | 13                   | 9,433               | 14                   | 9,585               |
| Castor Oil                             | 116                  | 36,373              | 184                  | 45,153              | 153                  | 38,232              |
| Cotton (raw)                           | 248                  | 130,817             | 439                  | 196,008             | 343                  | 154,435             |
| Haematite                              | 15,019               | 104,450             | 21,478               | 147,391             | 27,943               | 208,602             |
| Hides and Skins                        | 22                   | 10,264              | 69                   | 22,869              | 44                   | 17,054              |
| Manganese Ore                          | 1,124                | 24,125              | 861                  | 17,077              | 1,588                | 30,592              |
| Pine Wood                              | 792                  | 71,898              | 616                  | 75,518              | 571                  | 72,227              |
| Sisal                                  | 135                  | 16,048              | 132                  | 15,655              | 134                  | 15,428              |
| Tobacco Leaf                           | 39                   | 18,869              | 48                   | 26,492              | 54                   | 31,195              |
| Foodstuffs and Beverages               | 4,925                | 1,212,648           | 4,814                | 1,365,003           | 5,887                | 1,590,250           |
| Bananas                                | 160                  | 5,615               | 163                  | 9,769               | 204                  | 10,722              |
| Brazil Nuts                            | 36                   | 14,969              | 24                   | 12,076              | 32                   | 13,638              |
| Cocoa Beans                            | 76                   | 40,098              | 120                  | 105,490             | 120                  | 77,679              |
| Cocoa Butter                           | 18                   | 25,888              | 16                   | 30,567              | 19                   | 27,966              |
| Coffee                                 | 1,107                | 774,474             | 1,121                | \$12,955            | 963                  | 939,266             |
| Maté                                   | 25                   | 4,890               | 28                   | 4,910               | 26                   | 4,784               |
| Oranges                                | 73                   | 3,104               | 57                   | 3,553               | 51                   | 3,442               |
| Rice                                   | 158                  | 21,214              | 70                   | 7,820               | 95                   | 6,800               |
| Sugar                                  | 1,026                | 101,576             | 1,099                | 115,045             | 1,125                | 126,512             |
| Chemicals and Pharmaceutical Products  | 43                   | 26,370              | 47                   | 31,467              | 94                   | 38,658              |
| Ethyl Alcohol                          | 14                   | 1,447               | 6                    | 451                 | 5                    | 504                 |
| Machinery, Vehicles and Parts          | 11                   | 41,098              | 19                   | 60,150              | 32                   | 97,099              |
| Manufactured Goods, class by materials | 436                  | 57,704              | 447                  | 80,375              | 838                  | 148,894             |
| Miscellaneous Manufactured Articles    | 2                    | 4,810               | 4                    | 9,645               | 8                    | 22,245              |
| Gold, Coins, Special Transactions      | 6                    | 11,611              | 8                    | 21,696              | 133                  | 25,698              |
| <b>TOTAL</b>                           | <b>23,487</b>        | <b>1,881,344</b>    | <b>30,205</b>        | <b>2,311,169</b>    | <b>39,970</b>        | <b>2,738,922</b>    |



Other significant export items include furs, oil seeds, kernels, fixed vegetable oils and fats, chemicals, textile yarn and fabric, iron and steel, and non-electric machinery.

Exports, like imports, have increased steadily since 1967 to US\$2,904 million in 1971, a rise of 76%. They have not, however, increased as much as imports which showed a growth of 122% during the same five years.

The substantial gains in exports in 1968-1970 were accounted for by coffee exports (US\$939 million) due to higher world prices, and to significantly higher sales of iron-ore (US\$ 208 million). Exports of other agricultural products, especially cotton and non-traditional commodities as corn and chilled beef also rose. Of significant importance was the increase in exports of manufactured goods. Manufactured goods presently account for approximately 20% of exports.



### CANADIAN TRADE WITH BRAZIL

In 1971, Canadian imports from Brazil accounted for 0.3% of Canadian imports, while Canadian exports to Brazil were 0.5% of Canada's exports.

In 1971 Canadian exports to Brazil amounted to \$93.6 millions showing a slight increase of \$400,000 over the 1970 exports.

In 1971 Canadian imports from Brazil increased by 2.8% or \$1.4 million over the 1970 total of \$49.3 millions.

Canada's trade with Brazil has been increasing steadily the past four years, with imports growing by 31% and exports by 94% during that time. Canada has had a favourable balance of trade as can be seen from the following table for this period.

Canadian Trade with Brazil 1968-1971.  
- \$ millions -

| <u>Year</u> | <u>Imports</u> | <u>Exports*</u> | <u>Balance</u> |
|-------------|----------------|-----------------|----------------|
| 1968        | 38.7           | 48.2            | +9.5           |
| 1969        | 42.1           | 50.2            | +8.1           |
| 1970        | 49.3           | 93.2            | +43.9          |
| 1971        | 50.7           | 93.6            | +42.9          |

Source: Statistics Canada.

The substantial increase in exports in 1970 of 93% was accounted for by new sales of wheat (\$18 million) and a significant increase in sales of newsprint (+\$6 million); aircraft (+\$9.5 million) and sheet and strip steel NES (+\$3.4 million). The higher sales of these items were sustained in 1971, with the exception of aircraft which fell by \$16 million; wheat sales increased by \$7.3 million.

Coffee is Canada's principal import from Brazil.

Canadian imports from Brazil for the period January to September 1972, amounted to \$42.9 million, while exports to Brazil amounted to \$58.4 million for the same period.

\*Includes re-exports.



## 1. Canadian Exports to Brazil

Canada's exports to Brazil consist mainly of raw materials and producer goods.

The following table shows the principle Canadian exports to Brazil for the past three years.

| <u>Commodity</u>       | <u>Major Canadian Exports to Brazil</u> |          |          |
|------------------------|---|----------|----------|
|                        | <u>\$'000</u>                           |          |          |
| Wheat except seed nes. | --                                      | 18,318.5 | 25,638.8 |
| Newsprint Paper        | 4,220.4                                 | 10,265.7 | 11,014.2 |
| Aluminum, pigs ingots  |   |          |          |
| shot slabs             | 9,451.1                                 | 3,802.1  | 6,991.4  |
| Blooms, billets and    |   |          |          |
| slabs steel            | ---                                     | ---      | 4,299.5  |
| Aircraft, complete     |   |          |          |
| with engines           | 10,401.9                                | 19,977.9 | 4,029.1  |
| Copper refinery shapes | 2,903.1                                 | 5,343.9  | 3,429.9  |
| Sheet and strip,       |   |          |          |
| steel nes.             | 817.8                                   | 4,224.1  | 3,109.5  |
| Asbestos milled fibres |   |          |          |
| group 4 and 5          | 3,291.4                                 | 3,138.4  | 2,701.7  |
| Potassium Chloride,    |   |          |          |
| muriate                | 830.4                                   | ---      | 2,230.4  |
| Zinc Blocks, pigs,     |   |          |          |
| slabs                  | 2,236.7                                 | 1,235.8  | 1,917.0  |

Source: Statistics Canada.

## 2. Ontario Exports to Brazil\*

Ontario exports to Brazil in 1971 were \$20.5 million, a decrease of \$19.4 million or 48.6% from the 1970 total of \$39.9 million.

Ontario Exports to Brazil 1968-1971  
\$ Millions

|      |      |
|------|------|
| 1968 | 23.7 |
| 1969 | 22.6 |
| 1970 | 39.9 |
| 1971 | 20.5 |

Ontario exports accounted for 21.9% of Canadian exports to Brazil in 1971. The most significant decrease was in aircraft sales which fell \$15.7 million from \$20.5 million in 1970 to \$4.8 million in 1971.

\*Includes re-exports.



Major Ontario Exports to Brazil  
\$'000

|                              | <u>1970</u> | <u>1971</u> |
|------------------------------|-------------|-------------|
| Plate, sheet and strip steel | 3,302       | 2,115       |
| Copper and alloys            | 181         | 2,102       |
| Nickel and alloys            | 1,491       | 1,517       |
| Aircraft                     | 20,484      | 4,777       |
| Office machine and equipment | 1,289       | 1,046       |

Source: Ontario Exports by Countries.

Ontario's exports by stage of fabrication in 1970 was as follows: crude materials \$.3 million (.8%); fabricated materials \$6.8 million (17%); and end products \$27.3 million (68%).

3. Canadian Imports from Brazil

The most significant product that Canada imports from Brazil is coffee amounting to \$24.7 million in 1971, or 49% of total imports. Other significant imports are listed in the following table:

Major Canadian Imports from Brazil  
\$ million

| <u>Commodity</u>                   | <u>1969</u> | <u>1970</u> | <u>1971</u> |
|------------------------------------|-------------|-------------|-------------|
| Coffee, green                      | 43.7        | 23.3        | 24.7        |
| Orange Juice concentrates frozen   | 3.3         | 1.5         | 4.1         |
| Manganese in ores and concentrates | 2.9         | 1.9         | 2.5         |
| Canned beef, corned                | -           | 1.6         | 2.2         |
| Footwear nes.                      | -           | 0.6         | 1.3         |



#### 4. Opportunities for Canadian and Ontario Exports

There is no simple key to success in exporting to Brazil. It is a complex, and highly competitive market which, as most other foreign markets today, should be tackled with persistence, efficiency and realism.

There are, in general, exports possibilities for mining and construction machinery, equipment and materials, aircraft and parts, metalworking machinery, electric power machinery, switchgear and parts, textile machinery, chemical and petro-chemical equipment, scientific, medical, optical-measuring and controlling instruments and apparatus, as well as for sophisticated electronic equipment. These possibilities are for the most part, relative to the execution of Brazilian long-term investment programs and offer some opportunities for our exporters; machinery and equipment are needed for a range of new industries.

All types of steel making equipment is required for the expansion of the countries' three main steel mills, and good opportunities also exist for sales of bulk grain loading-unloading equipment, roll-on, roll-off equipment, subway cars, communications control equipment, suburban trains and air traffic control for Brazil's planned transportation expansion. Commuter aircraft, fishing and off-shore oil rigs are also in demand.

The Government's emphasis on increasing agricultural production and agricultural development in the north and northeast presents export opportunities for fertilizers, refrigeration and storage equipment and food processing equipment. A potential exists also for certain forest equipment.

Other export opportunities exist for machine tools in connection with large investments by the automobile manufacturers. In addition, road building equipment and pre-fabricated structures are required in the Amazon areas.

There also appears to be a growing demand for specialty foods.

Brazil represents an enormous and rapidly expanding market. There is a fund of goodwill towards Canada. Brazil is not an easy market. The attractiveness of Brazil's growing market and improved financial position is generating increasingly competitive trade offers from other countries.

Brazil cannot be treated as a single market and firms wishing to cover the whole of Brazil should consider the appointment of Brazilian commercial representation separately in the following areas: Rio de Janeiro, Sao Paulo, North and North East (Belem-Recife-Salvador) and South (Porto Alegre).



## ECONOMIC AND TRADE POLICY

### 1. Planning

The first major economic plan in Brazil was the Three Year Plan 1963-1966. This plan was abandoned almost as soon as it started. The Program of Economic Action 1964-1966 achieved its goals, as did the Plan 1968-1970.

The most recent planning document, the First National Development Plan covers the years 1972-1974. It aims at a 8-10% annual growth rate, composed of 7-8% for agriculture and 10-12% in industry. Emphasis is to be placed on raising the efficiency of public and private enterprises; to incorporating the human and material resources of the Northeast and Amazon into the money economy; and to expanding foreign trade, particularly exports of manufactured and mineral products.

Investment plans include as priority sectors, education (US\$5.2 billion), agriculture (US\$2.6 billion), housing (US\$2.9 billion) and health-sanitation (US\$2.5 billion). Projected investment in infrastructure include US\$4.1 billion for energy, US\$3.4 billion for transportation (over one-half for highways) and US\$500 million for communications. Public and private expenditures for industrial development are expected to reach US\$5.1 billion, including US\$1.3 billion in mechanical and electrical industries, US\$1.2 billion for steel and US\$900 million for chemicals and petrochemicals.

### 2. Foreign Trade Regulations, Tariffs and Taxes

In March 1971, the Brazilian Merchandise Nomenclature based on the Brussels Tariff Nomenclature was established and adapted all other Brazilian custom classifications to the B.T.N. systems. Duties are levied on the c.i.f. value of the import and range from 0% to 250% with the majority of goods bearing a duty of from 15% to 55%.

In December 1971, the 100% increase in import duties on 571 items listed as "superfluous" imports imposed in 1968, was cancelled or reduced to 50%. On January 1, 1974, tariff duties on luxury goods will return to levels prevailing prior to December 1968.

Imported goods which are considered to be available from Brazilian national production in satisfactory quality, quantity and cost, are subject to higher import duties (usually 30% higher) and are not eligible for duty exemptions. Imports of "similar" by agencies of the Brazilian Government are generally prohibited and when imported by non-governmental bodies "similar" are not eligible for Brazilian Government financing or foreign financing that is handled by governmental agencies.



The main criteria used to determine whether a foreign commodity has a "national similar" are that the price of the domestic product must not exceed the price of the import, including import duties, and that the delivery time and quality of the domestic product must be satisfactory to meet local demand.

At any time a Brazilian manufacturer may process a request with the Customs Policy Council for declaring their product a "similar".

Incentives granted by the Industrial Development Council (CDI) include exemption from import duties and taxes on imported machinery and equipment without national similars. Additional incentives are granted for export-oriented industries whereby whole factories maybe imported without payment of import duties if production is destined primarily for export.

Brazil extends preferential import duties rates and other advantages on a wide range of imports from other member countries of the Latin American Free Trade Association (LAFTA).\* Brazil is a member of GATT.

Tariff protection is granted to industries capable of adequately servicing the local market. The Conselho de Politica Aduaneira (CPA) may raise tariffs, taxes and duties to assist manufacturers and to prevent dumping. The CPA may also lower or cancel import duties on raw materials and essential goods when they are in short supply, and may set artificial values (*aforos*) on certain goods in order to increase the effective burden of import duties. On the other hand, the CPA may grant duty reductions or exemptions on imports of capital goods for approved investments in certain industries. It also grants exemptions on equipment to be used in public works projects.

Persuing its export promotion policy, the Brazilian Government has established fiscal and credit incentives to exporting industries.

### 3. Marketing

Brazil is a free-enterprise nation: the number of government controlled enterprises is limited. Rio de Janeiro and Sao Paulo dominate Brazil's marketing. The large concentration of inhabitants together with the difficulties in communications and transportation make these two cities the

\*Note: Members of LAFTA: Argentina, Bolivia, Chile, Colombia, Ecuador, Mexico, Paraguay.



principal markets in Brazil. However, various other large cities serve as centres for redistribution of merchandise, such as Belem, which is an important distributing centre for the whole Amazon River Valley; Salvador, which is a distributing centre for Bahia and neighbouring states, as well as Recife and Porto Alegre, in the Northeast and the South, respectively.

In the large cities supermarkets and department stores are very popular. Consumer cooperatives, as well as producer cooperatives, are very active in Brazil.

Brazil is a very competitive market. Credit and finance are vitally important to a successful contract and rank equally with technical performance of the equipment or quality of goods.

#### 4. Promoting the Products - Agency Agreements

The selection and appointment of agents or distributors in Brazil is a matter of great importance. The basic regulations defining the responsibilities of agents and their principals are laid down partly in the civil code and partly in the commercial code.

An individual agent for commission or salary may be entitled to the benefits of the law of May 1, 1943, as amended. An agent may be considered as an independent worker under that law. The parties may freely stipulate the terms and conditions of their agreements. However, waiver of rights acquired under the law is not recognized.

Under the Code a definite or an indefinite term agency may be terminated at any time. The agent is to be compensated for services rendered in case of premature termination of a definite term contract, or undue termination of an indefinite term agreement. Under the 1943 law definite term agreements terminate on the expiration of the agreement. If extended, or if the parties continue to operate under it, the agreement becomes an indefinite term agreement and may only be terminated for just cause.

Unjust termination of an agreement makes the principal liable for compensation. Compensation may include severance pay or earnings, in proportion to the duration of the relationship, and the amount resulting from computing two month's salary for each year of employment.



5. Licensing, Joint Ventures, Patents and Trade Marks

Direct exports to Brazil can be successfully supplemented by joint ventures. The trend to decrease direct imports in relation to the development of Brazilian industry, will increase. Brazil is now capable of producing the greater part of consumer goods needed in its domestic market. Through joint ventures, the domestic market can be shared when direct import is difficult or economically unsound. Licensing provides a foothold in the Brazilian market without large capital outlays. Industries which are not able to enter into joint ventures, can successfully sell licenses and patents on profitable terms.

The life of the patent of an invention is 15 years after which it becomes public property. This period may be extended for a maximum of five years if found to be justified in the national interests. Patents for inventions, design and models, expire if not exploited within three years of registration.

Legal and administrative limitations on licensing are a serious problem in Brazil. Patent and trademark licenses must be registered with the National Department of Industrial Property (DNPI). To establish remittance rights for patents and trademarks royalties as well as technical assistance fees, the licensing agreement must be registered with the Central Bank.

Industrial models or designs may be protected for three year periods, renewable up to a limit of 15 years.

Trademarks registered must not include words of a foreign language unless these are generally used in Brazil, and they must always carry the words "industria basileira" clearly indicated.



Table I

CANADIAN DOMESTIC EXPORTS TO BRAZIL  
BY COMMODITIES, 1970-1971

| CLASS         | COUNTRY AND COMMODITY               | JANUARY TO DECEMBER 1970 |                     |            | JANUARY TO DECEMBER 1971 |            |       |
|---------------|-------------------------------------|--------------------------|---------------------|------------|--------------------------|------------|-------|
|               |                                     | QUANTITY                 | VALUE<br>IN DOLLARS | QUANTITY   | VALUE<br>IN DOLLARS      | CLASS      |       |
| <b>BRAZIL</b> |                                     |                          |                     |            |                          |            |       |
| 110           | CATTLE, DAIRY, PUREBRED             | NO                       | 93                  | 151,300    | 194                      | 426,585    | 110   |
| 630           | BABY CHICKS                         | NO                       | 19,180              | 40,158     | 19,530                   | 80,457     | 630   |
| 699           | LIVE POULTRY N E S                  | NO                       |                     |            | 2,800                    | 3,955      | 699   |
| 4209          | COD, LIGHT SALT, 43PC OR LESS MOIST | CWT                      | 64                  | 1,756      |                          |            | 4209  |
| 4212          | COD, HEAVY SALT, 43PC OR LESS MOIST | CWT                      | 3,778               | 118,129    |                          |            | 4212  |
| 5149          | CHEESE N E S                        | CWT                      | 2,513               | 129,117    | 37                       | 1,449      | 5149  |
| 6169          | WHEAT, EXCEPT SEED N E S            | CWT                      | 6,659,077           | 18,318,493 | 8,830,877                | 25,638,763 | 6169  |
| 6230          | MALT                                | CWT                      | 103,400             | 499,151    | 136,400                  | 656,920    | 6230  |
| 7145          | PEARS, FRESH                        | LB                       | 73,800              | 7,988      |                          |            | 7145  |
| 9373          | PEAS, SEED                          | LB                       |                     |            | 110,000                  | 15,390     | 9373  |
| 9376          | PEAS, SPLIT, DRIED                  | LB                       | 50,375              | 3,500      |                          |            | 9376  |
| 9776          | PEAS, WHOLE, DRIED                  | LB                       | 55,125              | 7,108      |                          |            | 9776  |
| 10109         | MAPLE SYRUP                         | CWT N                    | 3                   | 136        |                          |            | 10109 |
| 14410         | GELATIN, EDIBLE                     | LB                       | 425                 | 3,502      |                          |            | 14410 |
| 14449         | SAUSAGE AND SIMILAR MEAT CASINGS    | LB                       | 139,553             | 104,107    | 89,760                   | 57,859     | 14449 |
| 14605         | NUTS, EXCEPT OIL NUTS               | LB                       | 110,149             | 13,750     |                          |            | 14605 |
| 17340         | WHISKY                              | P GAL                    | 912                 | 9,914      | 423                      | 4,128      | 17340 |
| 20981         | ANIMAL SEMEN                        |                          |                     |            |                          | 11,242     | 20981 |
| 20999         | CRUDE ANIMAL AND FISH PROD INED NES |                          |                     | 60,491     |                          |            | 20999 |
| 24689         | MAN-MADE FIBRES N E S               | LB                       | 91,734              | 23,559     |                          |            | 24689 |
| 25439         | LEAD & LEAD ALLOY SCRAP, DROSS ETC. | CWT                      |                     |            | 8,142                    | 56,062     | 25439 |
| 25530         | NICKEL IN OXIDE                     | CWT                      | 236                 | 33,264     | 1,769                    | 187,090    | 25530 |
| 25540         | NICKEL AND NICKEL ALLOY SCRAP       | CWT                      | 71                  | 25,112     |                          |            | 25540 |
| 25950         | MOLYBDENUM IN ORES, CONC. & SCRAP   | CWT                      | 2,997               | 616,005    | 2,215                    | 451,189    | 25950 |
| 25998         | METAL BEARING CRES AND CONC. N E S  | CWT                      | 34                  | 12,888     |                          |            | 25998 |
| 27120         | ASBESTOS MILLED FIBRES, GROUP 3 GR. | TON                      | 178                 | 58,780     | 153                      | 73,191     | 27120 |
| 27130         | ASBESTOS MILLED FIBRES, GROUP 4 & 5 | TON                      | 14,448              | 3,138,358  | 12,180                   | 2,701,677  | 27130 |
| 27140         | ASBESTOS SHORTS, GROUP 6-9 GRADES   | TON                      | 2,934               | 200,834    | 3,875                    | 306,483    | 27140 |
| 27977         | SULPHUR, CRUDE OR REFINED N E S     | TON                      |                     |            | 47,479                   | 514,342    | 27977 |
| 29119         | TEXTILE RAGS N E S                  | CWT                      | 1,432               | 28,946     | 949                      | 17,171     | 29119 |
| 31039         | FURS, DRESSED, MINK                 |                          |                     |            |                          | 100        | 31039 |
| 32049         | TIRE AND TUBE REPAIR MATERIALS      | LB                       |                     |            | 18,921                   | 26,710     | 32049 |
| 34019         | WOOD PULP DISSOLVNG & SPECIAL ALPHA | CWT                      |                     |            | 33,506                   | 279,660    | 34019 |
| 34021         | WOOD PULP BL. KRAFT PAPER GR. SOFT. | CWT                      | 69,223              | 454,444    | 80,498                   | 485,571    | 34021 |
| 34022         | WOOD PULP BL. KRAFT PAPER GR. HARD. | CWT                      | 7,980               | 46,466     | 198,244                  | 1,485,659  | 34022 |
| 35109         | NEWSPRINT PAPER                     | CWT                      | 1,647,268           | 10,265,702 | 1,701,799                | 11,014,151 | 35109 |
| 35199         | PAPER FOR PRINTING N E S            | CWT                      | 8,445               | 62,201     | 29,225                   | 204,529    | 35199 |
| 35249         | WRITING AND REPRODUCTION PAPER      | CWT                      |                     |            | 12                       | 188        | 35249 |
| 35599         | COATED PAPER, BOARD EXC MACH COATED | CWT                      | 408                 | 9,951      |                          |            | 35599 |
| 35970         | WALLPAPER, PRINTED                  | CWT                      | 18                  | 880        |                          |            | 35970 |
| 36162         | RAYON YARN, VISCOSE OR ACETATE      | LB                       | 49,078              | 32,317     | 39,670                   | 21,382     | 36162 |
| 36169         | MAN-MADE FIBRE YARN N E S           | LB                       | 10,575              | 12,577     |                          |            | 36169 |
| 37399         | BROAD WOVEN FABRICS, COTTON N E S   | LB                       | 9,902               | 7,416      |                          |            | 37399 |
| 38176         | PAPERMAKERS FELTS, TEXTILE          | LB                       | 49,098              | 279,277    | 57,790                   | 347,612    | 38176 |
| 38199         | SPECIAL CONSTRUCTION FABRICS N E S  | LB                       | 8,300               | 82,880     | 7,266                    | 67,838     | 38199 |
| 39879         | ESSENTIAL OILS, NATURAL, SYNTHETIC  | LB                       | 1,600               | 8,960      | 400                      | 2,520      | 39879 |
| 39899         | GUM, WOOD & VEGETABLE EXTRACTS NES  | LB                       |                     |            | 37,000                   | 2,142      | 39899 |
| 40037         | SELENIUM                            | CWT                      | 69                  | 64,698     |                          |            | 40037 |
| 40061         | CALCIUM METAL                       | CWT                      | 3                   | 255        |                          |            | 40061 |
| 40099         | CHEMICAL ELEMENTS N E S             | CWT                      | 9,340               | 181,547    | 6,435                    | 133,756    | 40099 |
| 40199         | INORGANIC ACIDS & OXYGEN COMPD NES  | CWT                      | 21,293              | 250,017    | 2,666                    | 25,750     | 40199 |
| 40299         | INORG. BASES & METALLIC OXIDES NES  | CWT                      | 11,774              | 253,613    | 11,302                   | 226,687    | 40299 |
| 40499         | METALLIC SALTS OF INORG. ACIDS NES  | CWT                      | 35,915              | 359,690    | 65,831                   | 831,449    | 40499 |
| 40535         | RADIOACTIVE ELEMENTS AND ISOTOPES   |                          |                     | 98,943     |                          | 35,187     | 40535 |
| 40819         | PHENOLS, PHENOL-ALCOHOLS AND DERIV. | CWT                      | 20,431              | 310,957    | 5,394                    | 66,037     | 40819 |
| 40839         | ETHERS, ALCOHOL PEROXIDES & DERIV.  | CWT                      |                     |            | 77                       | 3,924      | 40839 |
| 40859         | ALDEHYDE-FUNCTION COMPOUNDS         | CWT                      | 264                 | 43,082     | 447                      | 97,288     | 40859 |
| 41429         | ALCOHOLS AND THEIR DERIVATIVES      | CWT                      | 13,116              | 262,084    | 15,985                   | 333,676    | 41429 |
| 41449         | ORGANIC ACIDS, ANHYDRIDES AND DERIV | CWT                      | 4,261               | 39,412     | 7,786                    | 105,474    | 41449 |
| 41459         | NITROGEN-FUNCTION COMPOUNDS N E S   | CWT                      | 1,103               | 79,446     | 1,927                    | 56,126     | 41459 |
| 41479         | ORGANO-INORGANIC COMPOUNDS          | CWT                      | 3,926               | 77,686     | 2,263                    | 43,402     | 41479 |
| 41631         | UREA                                | CWT                      |                     |            | 55,114                   | 139,561    | 41631 |
| 41645         | NITROGEN SOLUTIONS                  | CWT                      |                     |            | 315                      | 4,893      | 41645 |



| CLASS             | COUNTRY AND COMMODITY                | JANUARY TO DECEMBER 1970 |                     |           | JANUARY TO DECEMBER 1971 |           |       | CLASS |
|-------------------|--------------------------------------|--------------------------|---------------------|-----------|--------------------------|-----------|-------|-------|
|                   |                                      | QUANTITY                 | VALUE<br>IN DOLLARS | QUANTITY  | VALUE<br>IN DOLLARS      |           |       |       |
| <b>BRAZIL-CON</b> |                                      |                          |                     |           |                          |           |       |       |
| 41652             | POTASSIUM CHLORIDE, MURIATE          | CWT                      |                     | 1,446,526 | 2,230,383                | 41652     |       |       |
| 41689             | PREPARED FERTILIZER MIXTURES         | CWT                      | 300                 | 4,563     | 23,609                   | 41689     |       |       |
| 41699             | FERTILIZERS AND FERTILIZER NAT. NES  | CWT                      |                     | 440       | 7,084                    | 41699     |       |       |
| 42316             | POLYETHYLENE RESINS, NOT SHAPED      | CWT                      |                     | 2,647     | 27,244                   | 42316     |       |       |
| 42318             | POLYSTYRENE RESINS, NOT SHAPED       | CWT                      | 1,824               | 34,021    | 868                      | 15,634    | 42318 |       |
| 42399             | PLASTIC & SYN RUBBER NOT SHAPED NES  | CWT                      | 26,611              | 411,509   | 68,884                   | 1,153,017 | 42399 |       |
| 42549             | LAMINATED PLASTICS MATERIALS         | CWT                      | 7                   | 799       |                          |           | 42549 |       |
| 42599             | PLASTICS FABRICATED MATERIALS N E S  | CWT                      |                     | 22        | 207                      | 42599     |       |       |
| 42899             | STAINS, LACQUERS & RELATED PROD NES  | CWT                      |                     |           | 3,574                    | 42899     |       |       |
| 42909             | INSECTICIDES AND RODENTICIDES        | CWT                      | 52                  | 13,425    | 400                      | 6,440     | 42909 |       |
| 42929             | DYESTUFFS, PIGMENTS, LAKES & TONERS  | CWT                      | 1,191               | 31,340    | 363                      | 7,463     | 42929 |       |
| 42999             | INDUS. CHEM SPECIALTIES & EXPLOSIVE  | CWT                      | 288                 | 25,161    | 53,926                   | 603,866   | 42999 |       |
| 44139             | FERROSILICON                         | TON                      |                     |           | 4,607                    | 1,016,661 | 44139 |       |
| 44199             | FERRO-ALLOYS N E S                   | TON                      | 132                 | 8,038     |                          |           | 44199 |       |
| 44299             | BLOOMS, BILLETS AND SLABS, STEEL     | TON                      |                     |           | 55,916                   | 4,299,475 | 44299 |       |
| 44359             | STEEL CASTINGS N E S                 | CWT                      | 266                 | 21,298    |                          |           | 44359 |       |
| 44399             | STEEL FORGINGS N E S                 | CWT                      | 12                  | 1,348     | 28                       | 3,370     | 44399 |       |
| 44430             | BARS, STEEL, HOT ROLLED              | CWT                      | 11,567              | 273,162   | 23,590                   | 571,381   | 44430 |       |
| 44499             | BARS AND RODS, STEEL, FABRICATED     | CWT                      |                     |           | 726                      | 33,002    | 44499 |       |
| 44520             | PLATE, STEEL                         | CWT                      | 5,263               | 294,349   | 1,705                    | 104,242   | 44520 |       |
| 44530             | SHEET & STRIP CARB STEEL HOT ROLLED  | CWT                      | 81                  | 3,962     |                          |           | 44530 |       |
| 44599             | SHEET AND STRIP, STEEL N E S         | CWT                      | 292,694             | 4,224,099 | 200,783                  | 3,109,543 | 44599 |       |
| 44899             | PIPES AND TUBES, IRON AND STEEL NES  | CWT                      | 5,854               | 505,762   | 865                      | 41,199    | 44899 |       |
| 45109             | ALUMINUM PIGS INGOTS SHOT SLABS ETC  | CWT                      | 144,432             | 3,802,092 | 296,198                  | 6,991,406 | 45109 |       |
| 45129             | ALUMINUM BAR ROD PLATE SHEET CIRCLE  | CWT                      | 601                 | 34,749    | 1,196                    | 65,110    | 45129 |       |
| 45149             | ALUMINUM & ALLOY FABRICATED MAT. NES | CWT                      | 4,403               | 178,036   | 35                       | 2,365     | 45149 |       |
| 45204             | COPPER, REFINERY SHAPES              | CWT                      | 75,530              | 5,343,969 | 70,315                   | 3,429,975 | 45204 |       |
| 45279             | COPPER ALLOY SHAPES AND SECTIONS     | CWT                      | 8                   | 1,600     | 9,109                    | 403,349   | 45279 |       |
| 45299             | COPPER S ALLOY FABRICATED MAT. NES   | CWT                      | 7,672               | 1,100,000 | 14,583                   | 1,863,400 | 45299 |       |
| 45309             | LEAD PIGS, BLOCKS AND SHOT           | CWT                      |                     |           | 1,753                    | 17,532    | 45309 |       |
| 45415             | NICKEL ANODES CATHODES INGOTS RODS   | CWT                      | 10,716              | 1,856,569 | 11,494                   | 1,673,895 | 45415 |       |
| 45459             | NICKEL & ALLOY FABRICATED MAT. NES   | CWT                      | 9,021               | 1,764,385 | 6,197                    | 1,290,495 | 45459 |       |
| 45708             | ZINC BLOCKS, PIGS AND SLABS          | CWT                      | 113,797             | 1,235,794 | 185,335                  | 1,916,975 | 45708 |       |
| 45945             | MAGNESIUM                            | LB                       | 44,110              | 15,471    | 99,518                   | 51,638    | 45945 |       |
| 45979             | NON-FERROUS METALS N E S             | LB                       | 11                  | 518       |                          |           | 45979 |       |
| 45999             | NON-FERROUS METAL ALLOYS N E S       | LB                       |                     |           | 82,155                   | 27,777    | 45999 |       |
| 46352             | WIRE CLOTH & WOV WIRE SCREENING NES  | CWT                      | 5                   | 650       | 5                        | 622       | 46352 |       |
| 46529             | NUTS, BOLTS, SCREWS AND WASHERS      | CWT                      | 6                   | 1,845     |                          |           | 46529 |       |
| 46599             | BASIC HARDWARE N E S                 |                          |                     |           |                          | 595       | 46599 |       |
| 46819             | VALVES, IRON OR STEEL                |                          |                     |           |                          | 3,090     | 46819 |       |
| 46975             | INSULATED WIRE AND CABLE             | CWT                      |                     |           | 8                        | 885       | 46975 |       |
| 46980             | WELDING WIRE RODS ELECTRODES SOLDER  | CWT                      | 2                   | 953       | 2                        | 421       | 46980 |       |
| 46999             | METAL FABRICATED BASIC PRODUCTS NES  | CWT                      |                     | 1,390     |                          | 9,121     | 46999 |       |
| 47262             | FIRE BRICK AND SIMILAR SHAPES        | TON                      |                     | 33,499    |                          |           | 47262 |       |
| 47399             | GLASS BASIC PRODUCTS N E S           |                          |                     | 8,818     |                          | 29,297    | 47399 |       |
| 47499             | ASBESTOS BASIC PRODUCTS N E S        |                          |                     | 26,518    |                          | 4,954     | 47499 |       |
| 47629             | SILICON CARBIDE, CRUDE AND GRAINS    | CWT                      |                     |           | 22,050                   | 187,865   | 47629 |       |
| 47659             | ABRASIVE WHEELS AND STONES           |                          |                     |           |                          | 5,254     | 47659 |       |
| 47699             | ABRASIVE BASIC PRODUCTS N E S        |                          |                     | 31,456    |                          | 113,373   | 47699 |       |
| 49489             | FLOORING AND WALL COVERING N E S     |                          |                     | 2,314     |                          |           | 49489 |       |
| 49510             | HIGH TENSION INSULATORS & FITTINGS   |                          |                     | 367       |                          | 1,100     | 49510 |       |
| 49660             | HOSE AND HOSE COUPLINGS              |                          |                     |           |                          | 967       | 49660 |       |
| 50239             | HYDRAULIC TURBINES AND PARTS         |                          |                     | 520       |                          |           | 50239 |       |
| 50299             | ENGINES, TURBINES AND PARTS N E S    |                          |                     | 23,018    |                          | 59,144    | 50299 |       |
| 50319             | GENERATOR PARTS & ACCESSORIES N E S  |                          |                     | 18,025    |                          |           | 50319 |       |
| 50379             | PARTS & ACCESS. FOR ELEC MOTORS NES  |                          |                     | 598       |                          |           | 50379 |       |
| 50439             | BEARINGS AND PARTS N E S             |                          |                     | 128,292   |                          | 117,400   | 50439 |       |
| 50444             | GEARS, POWER TRANSMISSION            |                          |                     |           |                          | 17,890    | 50444 |       |
| 50499             | POWER TRANSMISSON EQUIP & PTS N E S  |                          |                     | 62,950    |                          |           | 50499 |       |
| 50739             | AIR AND GAS COMPRESSORS AND PARTS    |                          |                     |           |                          | 5,290     | 50739 |       |
| 50799             | VACUUM PUMPS, FANS, BLOWERS & PARTS  |                          |                     |           |                          | 15,450    | 50799 |       |
| 50959             | INDUS. FURNACES, KILNS, OVENS & PTS  |                          |                     | 4,023     |                          | 11,705    | 50959 |       |
| 50969             | FOUNDRY EQUIPMENT AND PARTS N E S    |                          |                     | 41,336    |                          | 87,970    | 50969 |       |
| 50980             | PUMPS, PUMPING SYSTEMS AND PARTS     |                          |                     | 1,189     |                          | 65,342    | 50980 |       |
| 50999             | GEN. PURPOSE INDUS. MACHY & PTS NES  |                          |                     | 62,176    |                          | 65,646    | 50999 |       |
| 51199             | CONVEYORS CONVEYING SYSTEMS & PARTS  |                          |                     | 344,123   |                          | 21,571    | 51199 |       |
| 51327             | INDUSTRIAL HOISTS AND LIFTS          | NO                       | 1                   | 24,509    | 1                        | 495       | 51327 |       |
| 51399             | HOISTING MACHINERY AND PARTS N E S   |                          |                     |           |                          | 53,808    | 51399 |       |
| 51439             | INDUSTRIAL TRUCKS, TRACTORS & PARTS  | NO                       |                     |           | 5                        | 17,177    | 51439 |       |
| 51931             | WOODLAND LOG HANDLING EQUIPMENT      | NO                       | 2                   | 32,028    | 2                        | 30,552    | 51931 |       |
| 51939             | PARTS WOODLAND LOG HANDLING EQUIP.   |                          |                     |           |                          | 172       | 51939 |       |
| 51999             | MATERIALS HANDLING EQUIP. & PTS NES  |                          |                     | 224,640   |                          | 18,088    | 51999 |       |
| 52101             | CORE DRILLS & CORE DRILL BITS & PTS  |                          |                     |           |                          | 77,135    | 52101 |       |
| 52104             | ROCK DRILLS AND PARTS N E S          |                          |                     |           |                          | 162,700   | 52104 |       |
| 52112             | ROCK DRILL BITS N E S                |                          |                     |           |                          | 2,583     | 52112 |       |
| 52119             | EARTH DRILLING & REL MACH & PTS NES  |                          |                     | 125,028   |                          | 293,574   | 52119 |       |
| 52139             | EXCAVATING DREDGING MACHY & PTS NES  |                          |                     | 40,685    |                          | 61,548    | 52139 |       |
| 52199             | MINING-QUARRYING MACHY & PARTS NES   |                          |                     | 645,799   |                          | 1,789,466 | 52199 |       |
| 52329             | MACHINE TOOLS METALWORK. & PTS NES   |                          |                     | 138,631   |                          | 600       | 52329 |       |
| 52349             | WELDING APPARATUS, EQUIPMENT & PTS   |                          |                     | 9,336     |                          | 6,301     | 52349 |       |
| 52369             | METALWORKING MACHINERY & PARTS NES   |                          |                     |           |                          | 196,896   | 52369 |       |
| 52387             | DIES FOR METALWORKING MACHINERY NES  |                          |                     |           |                          | 9,658     | 52387 |       |
| 52396             | CUTTING TOOLS FOR METALWRK MACH NES  |                          |                     | 3,283     |                          |           | 52396 |       |
| 52399             | METALWORKING MACHY, EQUIP & PTS NES  |                          |                     | 74,943    |                          |           | 52399 |       |
| 52414             | CHAIN SAWS                           | NO                       | 341                 | 50,142    | 264                      | 40,423    | 52414 |       |



| CLASS | COUNTRY AND COMMODITY                   | JANUARY TO DECEMBER 1970 |                     | JANUARY TO DECEMBER 1971 |                     | CLASS     |
|-------|---|--------------------------|---------------------|--------------------------|---------------------|-----------|
|       |   | QUANTITY                 | VALUE<br>IN DOLLARS | QUANTITY                 | VALUE<br>IN DOLLARS |           |
|       | BRAZIL-CON                              |                          |                     |                          |                     |           |
| 52415 | PARTS & ACCESSORIES FOR CHAIN SAWS      |                          | 17,399              |                          | 47,928              | 52415     |
| 52425 | SAWS, SAWMILL MACHY EQUIP & PTS NES     |                          |                     |                          | 4,078               | 52425     |
| 52590 | PULP & PAPER INDUS. MACHY AND PARTS     |                          | 73,528              |                          | 3,604               | 52590     |
| 52679 | PRINTING & BOOKBINDING MACH & PTS NES   |                          | 9,843               |                          | 17,425              | 52679     |
| 52799 | TEXTILE INDUSTRIES MACHY & PTS NES      |                          | 119,683             |                          | 174,252             | 52799     |
| 52869 | FOOD & BEVERAGE MACHINERY & PTS NES     |                          | 9,398               |                          |                     | 52869     |
| 52904 | RUBBER TIRE BUILDING MACHY & PARTS      |                          |                     |                          | 13,648              | 52904     |
| 52909 | RUBBER WORKING MACHY AND PARTS NES      |                          | 5,266               |                          | 3,683               | 52909     |
| 52924 | SHOE-MAKING INDUSTRY MACHY & PARTS      |                          | 64,032              |                          | 3,083               | 52924     |
| 52929 | CONSTRUCTION MAINTENANCE MACHY & PT     |                          | 75,095              |                          | 221,130             | 52929     |
| 52947 | DIES AND MOULDS FOR PLASTICS MACHY      |                          | 100                 |                          | 1,801               | 52947     |
| 52999 | SPECIAL INDUSTRY MACHY & PARTS NES      |                          | 3,048               |                          | 9,587               | 52999     |
| 54116 | PLOWS AND PARTS N E S                   |                          | 3,894               |                          |                     | 54116     |
| 54151 | GRAIN DRILLS AND COMBINATION DRILLS     | NO                       | 1                   | 1,238                    | 10                  | 10,909    |
| 54309 | MOWERS                                  | NO                       | 1                   | 416                      |                     | 54309     |
| 54329 | HAYING MACHINERY AND PARTS N E S        | NO                       |                     |                          | 12                  | 17,673    |
| 54372 | COMBINE REAPER-THRESHERS                | NO                       | 5                   | 42,293                   | 6                   | 40,668    |
| 54399 | HARVESTING & RELATED MACHY & PT NES     | NO                       | 2                   | 4,756                    | 2                   | 2,896     |
| 54559 | FARM DAIRY MACHINERY AND PARTS NES      |                          |                     | 131                      |                     | 54559     |
| 54599 | POULTRY FARM APIARY EQUIP & PTS NES     |                          |                     | 3,305                    |                     | 54599     |
| 54699 | AGRICULTURAL MACHY AND PARTS N E S      |                          |                     |                          | 11,356              | 54699     |
| 55121 | PARTS OF WHEEL TRACTORS                 |                          | 265                 |                          | 1,565               | 55121     |
| 57099 | RAILWAY, STREET ROLL STOCK & PT NES     | NO                       |                     |                          | 17,995              | 57099     |
| 58110 | HARDTOP SEDANS, NEW                     | NO                       | 6                   | 15,147                   | 2                   | 6,057     |
| 58126 | SEDANS, NEW N E S                       | NO                       | 3                   | 6,734                    | 1                   | 2,404     |
| 58133 | STATION WAGONS, NEW                     | NO                       | 2                   | 5,503                    |                     | 58133     |
| 58339 | TRUCKS AND CHASSIS, COMMERCIAL NES      | NO                       | 21                  | 1,009,194                |                     | 58339     |
| 58499 | TRAILERS & COMMERCIAL SEMI-TRAILERS     | NO                       |                     |                          | 1                   | 995       |
| 58799 | MOTOR VEHICLES N E S                    | NO                       | 5                   | 116,142                  | 3                   | 10,463    |
| 58885 | MOTOR VEHICLE ENGINES AND PARTS         | NO                       |                     | 13,655                   |                     | 58885     |
| 58999 | PARTS & ACCESS. FOR MOTOR VEH. NES      |                          |                     | 447,422                  |                     | 813,519   |
| 59285 | MARINE ENGINES AND PARTS                | NO                       | 57                  | 17,687                   | 1                   | 1,287     |
| 59339 | PTS & ACCESS. FOR SHIPS & BOATS NES     |                          |                     |                          |                     | 59339     |
| 60019 | AIRCRAFT, COMPLETE WITH ENGINES         | NO                       | 10                  | 19,977,998               | 3                   | 4,029,139 |
| 60039 | AIRCRAFT ENGINES AND PARTS              | NO                       | 3                   | 622,468                  | 3                   | 232,824   |
| 60099 | AIRCRAFT ASSEMBLIES EQUIP & PTS NES     |                          |                     | 521,235                  |                     | 60099     |
| 62149 | PNEUMATIC TIRES, NEW N E S              | NO                       | 100                 | 15,798                   | 174                 | 4,874     |
| 63419 | TELEPHONE APPARATUS EQUIP AND PARTS     |                          |                     | 233,411                  |                     | 63419     |
| 63429 | TELEGRAPH APPARATUS EQUIP AND PARTS     |                          |                     | 1,421                    |                     | 63429     |
| 63439 | RADAR EQUIP & RELATED DEVICES & PTS     |                          |                     | 7,950                    |                     | 63439     |
| 63445 | _SOUND AMPLIFIERS, EXCLUDING PARTS      |                          |                     | 1,942                    |                     | 63445     |
| 63490 | RADIO TRANSMITTING-RECEIVING UNITS      |                          |                     | 74,381                   |                     | 63490     |
| 63495 | RADIO TV BROADCAST TRANSM EQUIP NES     |                          |                     | 48,182                   |                     | 63495     |
| 63499 | COMMERCIAL TELECOMM. EQUIPMENT NES      |                          |                     | 48,854                   |                     | 63499     |
| 63790 | PHONOGRAPH RECORDS AND BLANKS           | NO                       |                     |                          | 111                 | 63790     |
| 63799 | PHONOGRAHS AND RECEIVING ANTENNAE       | NO                       |                     |                          | 111                 | 63799     |
| 63821 | ELECTRONIC TUBES AND PARTS              |                          |                     | 8,582                    |                     | 63821     |
| 63841 | SEMI-CONDUCTORS AND PARTS               |                          |                     | 194                      |                     | 63841     |
| 63915 | RESISTORS, ELECTRONIC, AND PARTS        |                          |                     | 364                      |                     | 63915     |
| 63923 | TRANSFORMERS, ELECTRONIC TYPE & PTS     |                          |                     | 1,515                    |                     | 63923     |
| 63999 | ELECTRONIC EQUIPMENT COMPONENTS NES     |                          |                     | 101,748                  |                     | 63999     |
| 65599 | AIR CONDITN & REFRIG EQUIP & PT NES     |                          |                     |                          | 53,089              | 65599     |
| 66099 | NON-ELECTRIC EQUIP FOR COOKING & PT     |                          |                     |                          | 18,063              | 65599     |
| 68199 | ELECTRIC LIGHTING FIXTURES & PARTS      |                          |                     | 7,176                    |                     | 68199     |
| 68299 | ELECTRIC LAMPS, BULBS & TUBES & PTS     |                          |                     | 17,211                   |                     | 68299     |
| 68399 | TRANSFORMERS AND PARTS                  |                          |                     | 26,693                   |                     | 68399     |
| 68426 | CIRCUIT BREAKERS AND PARTS              |                          |                     | 15,475                   |                     | 68426     |
| 68499 | SWITCHGEAR & PROTECT EQUIP & PT NES     |                          |                     | 610,981                  |                     | 68499     |
| 68859 | INDUSTRIAL CONTROL EQUIPMENT & PTS      |                          |                     | 49,259                   |                     | 68859     |
| 68869 | WIRING DEVICES AND PARTS                |                          |                     | 2,343                    |                     | 68869     |
| 68879 | CONVERTER EQUIPMENT AND PARTS           |                          |                     | 488                      |                     | 68879     |
| 68999 | ELEC EQUIP FOR INT COMBUST ENG & PT     |                          |                     | 7,579                    |                     | 68999     |
| 69793 | BATTERIES, WET CELL AND DRY CELL        | NO                       |                     |                          | 3                   | 732       |
| 69799 | ELECTRICAL EQUIP APPL AND PARTS NES     |                          |                     | 408                      |                     | 69799     |
| 69899 | LAUNDRY EQUIPMENT DOMESTIC & PT NES     |                          |                     | 66                       |                     | 69899     |
| 70290 | ELECTRICITY-MEASURING INSTR & PARTS     |                          |                     | 735,392                  |                     | 70290     |
| 70399 | MEASURING & TESTING EQUIP & PTS NES     |                          |                     | 197,447                  |                     | 70399     |
| 70699 | MEDICAL & REL. INSTR EQUIP & PT NES     |                          |                     | 50,129                   |                     | 70699     |
| 70909 | X-RAY AND RELATED EQUIPMENT & PARTS     |                          |                     | 77,897                   |                     | 70909     |
| 70919 | NAVIGATION INSTRUMENTS APPAR. & PTS     |                          |                     | 10,010                   |                     | 70919     |
| 70994 | GEOPHYSICAL MINERAL PROSPECT EQUIP & PT |                          |                     |                          | 3,860               | 70994     |
| 70997 | MODELS FOR DEMONSTRATION ETC. & PTS     |                          |                     |                          | 8,991               | 70997     |
| 70999 | LAB. OPTICAL INSTR. EQUIP & PTS NES     |                          |                     | 34,507                   |                     | 70999     |
| 74012 | FURNITURE, METAL, HHOLD, NOT UPHOL      |                          |                     | 234                      |                     | 74012     |
| 74099 | FURNITURE AND FIXTURES N E S            |                          |                     | 235                      |                     | 74099     |
| 75019 | POWER DRIVEN HAND TOOLS AND PARTS       |                          |                     |                          | 3,273               | 75019     |
| 75059 | HAND TOOLS N E S, INCLUDING SETS        |                          |                     |                          | 123                 | 75059     |
| 75081 | SAFETY RAZOR BLADES                     | GROSS                    |                     | 41,288                   |                     | 75081     |
| 75085 | RAZORS AND RAZOR BLADES                 |                          |                     | 5,079                    |                     | 75085     |
| 75099 | SCISSORS, SHEARS & MISC CUTLERY NES     |                          |                     |                          | 113,077             | 75099     |
| 77108 | ADDING MACHINES AND PARTS               | NO                       |                     |                          | 7,073               | 77108     |
| 77121 | CARD PUNCH SORT TAB COMPUTERS & PTS     |                          |                     | 1,258,710                |                     | 77121     |
| 77148 | TYPEWRITERS, ELECTRIC                   | NO                       | 22                  | 2,525                    |                     | 77148     |
| 77152 | TYPEWRITERS, PORTABLE N E S             | NO                       | 20                  | 1,326                    |                     | 77152     |



| CLASS             | COUNTRY AND COMMODITY                | JANUARY TO DECEMBER 1970 |                     | JANUARY TO DECEMBER 1971 |                     | CLASS |
|-------------------|--------------------------------------|--------------------------|---------------------|--------------------------|---------------------|-------|
|                   |                                      | QUANTITY                 | VALUE<br>IN DOLLARS | QUANTITY                 | VALUE<br>IN DOLLARS |       |
| <b>BRAZIL-CON</b> |                                      |                          |                     |                          |                     |       |
| 77199             | OFFICE MACHINES EQUIPMENT & PTS NES  |                          | 59,956              |                          | 17,586              | 77199 |
| 77919             | SAFETY & SANITATION EQUIPMENT & PTS  |                          |                     | 130                      | 77919               |       |
| 77929             | SERVICE INDUSTRY EQUIP & PARTS NES   |                          |                     | 203                      | 77929               |       |
| 78399             | OUTERWEAR, EXCEPT KNITTED N E S      | NO                       | 600                 | 238                      |                     | 78399 |
| 78479             | SWEATERS AND CARDIGANS, KNITTED      | NO                       | 2,832               | 1,336                    |                     | 78479 |
| 78499             | OUTERWEAR, KNITTED N E S             | NO                       | 4,716               | 2,942                    |                     | 78499 |
| 78809             | FUR GOODS, APPAREL                   |                          |                     | 13,371                   |                     | 78809 |
| 79099             | SPEC PURPOSE FOOTWEAR, FOOTWEAR NES  | PAIR                     | 29                  | 300                      |                     | 79099 |
| 80059             | PERFUMES, TOILET PREP AND COSMETICS  |                          |                     | 217                      |                     | 80059 |
| 80069             | SCAP AND DETERGENTS                  |                          |                     | 19,913                   |                     | 80069 |
| 83099             | SPORTING RECREATION EQUIP & PTS NES  |                          |                     | 115                      |                     | 83099 |
| 86099             | HOUSEHOLD & PERSONAL EQUIP & PT NES  |                          |                     |                          | 6,787               | 86099 |
| 87019             | BIOLOGICAL PRODUCTS FOR HUMANS       |                          |                     |                          | 400                 | 86099 |
| 87089             | VETERINARY MEDICINE FEED SUPPLEMENT  |                          |                     | 29,275                   |                     | 87019 |
| 87099             | MEDICINAL & PHARMACEUTICAL PROD NES  |                          |                     | 13,049                   |                     | 87089 |
| 88029             | SURGICAL MEDICAL & DENTAL SUPPL NES  |                          |                     | 28,881                   |                     | 87099 |
| 88035             | OPHTHALMIC LENSES                    | NO                       | 26,206              | 15,601                   |                     | 88029 |
| 89029             | NEWSPAPERS, MAGAZINES & PERIODICALS  |                          |                     | 12,704                   |                     | 88035 |
| 89039             | BOOKS AND PAMPHLETS                  |                          |                     | 16,810                   |                     | 89029 |
| 89049             | MAPS PICTURES GREETING CARDS MUSIC   |                          |                     |                          | 7,216               | 89039 |
| 89090             | ADVERTISING MATTER PRINTED N E S     |                          |                     | 253                      |                     | 89049 |
| 89099             | PRINTED MATTER N E S                 |                          |                     | 1,475                    |                     | 89090 |
| 90019             | STATIONERY & PAPER OFFICE SUPPL NES  |                          |                     | 1,600                    |                     | 89099 |
| 90099             | STATIONERS AND OFFICE SUPPLIES NES   |                          |                     | 3,352                    |                     | 90019 |
| 91089             | PHOTO FILM & PLATES SOLD EXPOSED NES |                          |                     | 26,725                   |                     | 90099 |
| 91099             | PHOTOGRAPHIC EQUIP. & SUPPLIES NES   |                          |                     | 20,303                   |                     | 91089 |
| 94149             | PREFAB. BLDG., STRUCTURES & PTS NES  |                          |                     | 100                      |                     | 91099 |
| 94649             | ANTIQUES AND COLLECTORS ITEMS N E S  |                          |                     | 1,019                    |                     | 94149 |
| 94929             | SIGNS AND ADVERTISING DISPLAYS NES   |                          |                     | 310                      |                     | 94649 |
| 94966             | NCN-ELEC. LIGHTING FIXTURES & PARTS  |                          |                     |                          | 189                 | 94929 |
| 94999             | MISCELLANEOUS END PRODUCTS N E S     |                          |                     |                          | 115                 | 94966 |
| 95079             | SHIPPING CONTAINERS, PLASTIC & PTS   |                          |                     |                          | 2,684               | 94999 |
| 96086             | PAPER END PRODUCTS N E S             |                          |                     | 61                       |                     | 95079 |
| 96096             | PLASTIC END PRODUCTS N E S           |                          |                     |                          | 107                 | 96086 |
| 97020             | CONTRACTORS EQUIPMENT AND TOOLS      |                          |                     |                          | 123,658             | 96096 |
| 97075             | SHIPMENTS OF LESS THAN \$100.00 EACH |                          |                     | 6,356                    |                     | 97020 |
|                   | COUNTRY TOTAL                        |                          |                     | 87,386,862               |                     | 97075 |
|                   |                                      |                          |                     |                          | 51                  |       |
|                   |                                      |                          |                     |                          |                     |       |

Source: Statistics Canada.



Table IIONTARIO DOMESTIC EXPORTS TO BRAZIL BY COMMODITY1970 - 1971

| COMMODITY                             | VALUE \$'000 |         |
|---------------------------------------|--------------|---------|
|                                       | 1970         | 1971    |
| Cattle                                | 151.3        | 426.6   |
| Poultry                               | 40.2         | 84.4    |
| Dairy Produce                         | .-           | 1.4     |
| Cereals, Milled                       | 214.5        | 656.9   |
| Materials for Food Preparations       | 3.5          | 5.0     |
| Distilled Alcoholic Beverages         | 4.3          | 3.1     |
| Other Crude Animal Products           | 60.5         | 11.2    |
| Nickel in Ores Concentrates Scrap     | 33.3         | 187.1   |
| Asbestos, Unmanufactured              | .-           | 31.8    |
| Other Waste and Scrap Material        | 7.1          | .-      |
| Furs, Dressed and Fur Fabricated Mat. | .-           | .1      |
| Rubber Fabricated Materials           | .-           | 26.7    |
| Paper for Printing                    | 123.2        | 69.0    |
| Fine Paper                            | .-           | .2      |
| Special Industrial and Coated Paper   | 5.1          | .-      |
| Converted Paper                       | .9           | .-      |
| Special Construction Fabrics          | 44.8         | 64.6    |
| Oth. Oils Fats Waxes Extracts, Deriv. | 9.0          | 2.5     |
| Chemical Elements                     | .3           | .-      |
| Metallic Salts of Inorganic Acids     | 19.5         | 86.7    |
| Other Inorganic Chemicals             | 98.9         | 35.2    |
| Phenols, Ethers, Aldehydes & Deriv.   | 32.6         | 97.3    |
| Other Organic Chemicals               | 157.1        | 99.5    |
| Fertilizers and Fertilizer Materials  | 4.6          | 35.6    |
| Plastics Asyn. Rubber not Shaped      | 219.6        | 758.9   |
| Other Plastics Basic Shapes and Forms | .8           | .-      |
| Paints and Related Products           | .-           | 3.6     |
| Indust. Chem. Specialties & Explosive | 42.7         | 18.9    |
| Ferro-Alloys                          | .8           | 80.3    |
| Castings and forgings                 | 1.3          | 3.4     |
| Bars and Rods, Steel                  | 273.2        | 534.5   |
| Plate, Sheet and Strip, Steel         | 3,302.2      | 2,115.5 |
| Pipes and Tubes, Iron and Steel       | 505.8        | 41.2    |
| Aluminum, Including Alloys            | 34.7         | 66.9    |
| Copper and Alloys                     | 181.6        | 2,102.8 |
| Nickel and Alloys                     | 1,491.7      | 1,517.5 |
| Other Non-Ferrous Metals and Alloys   | 4.3          | 79.4    |
| Wire Fencing, Screening and Netting   | .-           | .6      |
| Bolts, Nuts etc. & Basic Hardware     | 1.8          | .6      |
| Other Metal Fabricated Basic Prod.    | 1.4          | 9.0     |
| Abrasive Basic Products               | 23.9         | 93.9    |
| Non-Current-Carrying Wiring Mat.      | .4           | .-      |
| Other Fabricated Materials            | .-           | 1.0     |
| Engines and Turbines, General Purpose | 13.9         | 55.9    |
| Electric Generators & Motors          | 18.6         | .-      |
| Mech. Power Transm. Equip. & Bearings | 121.1        | 86.0    |
| Compressors, Blowers, Vacuum Pumps    | .-           | 16.1    |
| Other General Purpose Indust. Machy.  | 46.7         | 128.3   |
| Conveyors and Conveying Systems       | 344.1        | 18.1    |
| Industrial Trucks, Tractors etc.      | .-           | 17.2    |
| Other Materials Handling Equipment    | 256.7        | 30.9    |



| COMMODITY                                     | VALUE \$'000 |         |
|---|--------------|---------|
|   | 1970         | 1971    |
| Drilling, Mining Oil & Gas Machy.             | 606.7        | 631.9   |
| Metalworking Machinery                        | 111.5        | 32.7    |
| Woodworking Machinery                         | 63.9         | 76.3    |
| Pulp and Paper Industries Machinery           | .-           | 3.4     |
| Printing, Bookbinding Machy. & Equip.         | .-           | 17.4    |
| Other Special Industry Machinery              | 192.7        | 94.0    |
| Soil Prep., Seeding and Fert. Machy.          | 5.1          | 10.9    |
| Haying, Harvesting & Related Machy.           | 47.5         | 61.2    |
| Dairy & Poultry Farm & Apiary Machy.          | 3.4          | .-      |
| Other Agricultural Machinery, Equip.          | .-           | 9.8     |
| Tractors                                      | .3           | 1.6     |
| Passenger Automobile and Chassis              | 27.4         | 8.5     |
| Trucks & Truck Chassis                        | 1,009.2      | .-      |
| Other Motor Vehicles                          | 1.5          | 2.0     |
| Road Motor Vehicle Engines and Parts          | 13.7         | 2.6     |
| Other Road Motor Veh. Pts. & Access.          | 444.3        | 812.8   |
| Ships and Boats                               | 17.7         | .-      |
| Marine Engines and Parts                      | .-           | 1.3     |
| Sub-Assemblies, Pts., Attach. for Ships       | .-           | .3      |
| Aircraft                                      | 20,484.6     | 4,777.5 |
| Pneumatic Tires, New                          | 15.8         | 4.9     |
| Commercial Telecommunication Equip.           | 259.5        | 222.9   |
| Electronic & Rel. Equip. Components           | 62.4         | 35.4    |
| Air Conditioning and Refrig. Equip.           | .-           | 18.1    |
| Cooking Equipment for Food                    | .-           | .1      |
| Electric Lighting and Control Equip.          | 607.7        | .-      |
| Electric Lighting Fixt. & Portable Lamps      | .-           | 3.7     |
| Transformers                                  | .-           | 3.4     |
| Switchgear and Protective Equipment           | .-           | 605.3   |
| Other Electric Lighting Distr. Control Equip. | .-           | 22.6    |
| Aux. Electric Equip. for Int. Comb Engines    | .-           | 1.9     |
| Other Electric Equip. and Appliances          | .4           | .7      |
| Laundry Equipment, Domestic                   | .1           | .-      |
| Measuring, Laboratory etc. Equip.             | 1,096.4      | .-      |
| Electrical Property Measuring Instr.          | .-           | 716.5   |
| Misc. Measuring & Meas.-Control Instr.        | .-           | 191.0   |
| Medical and Related Instr. & Equip.           | .-           | 1.1     |
| Other Measuring Testing Instr. & Equip.       | .-           | 39.1    |
| Hand Tools & Misc. Cutlery                    | 44.7         | 164.8   |
| Office Machine and Equipment                  | 1,289.6      | 1,046.2 |
| Misc. Equipment                               | 3.3          | .3      |
| Misc. Apparel                                 | .-           | 2.8     |
| Toiletries, Cleaning Prep., etc.              | .2           | .-      |
| Toys, Games Sport & Recreation Equip.         | .1           | 4.5     |
| Misc. Household and Personal Equip.           | .-           | .4      |
| Medicinal & Pharmaceutical Products           | 21.9         | 219.8   |
| Medical Supplies, Ophthalmic Goods etc.       | 28.3         | 23.3    |
| Printed Matter                                | 5.3          | 16.4    |
| Stationers & Office Supplies & Mat.           | 39.1         | 32.6    |
| Prefabricated Bldg. & Structures              | .3           | 2.2     |
| Works of Art & Collectors Items               | .-           | .6      |



| COMMODITY                   | VALUE \$'000    |                 |
|-----------------------------|-----------------|-----------------|
|                             | 1970            | 1971            |
| Misc. End Products          | .1              | .3              |
| Containers & Closures       | .-              | 19.2            |
| Special Transactions- Trade | 4.2             | 123.7           |
| Total for Brazil            | <u>34.406.9</u> | <u>19,773.3</u> |

Source: Statistics Canada  
Ontario Exports by Country



Table III

CANADIAN IMPORTS FROM BRAZIL  
BY COMMODITIES 1970-1971.

JANUARY TO DECEMBER

| COUNTRY AND COMMODITY                | NO         | QUANTITY   | VALUE  |        | CLASS |
|--------------------------------------|------------|------------|--------|--------|-------|
|                                      |            |            | 1970   | 1971   |       |
| <b>BRAZIL</b>                        |            |            |        |        |       |
| FISH, AQUARIUM                       | 46,647     | 15,227     | 8      | 3      | 00950 |
| LIVE ANIMALS N E S                   |            |            | 2      |        | 00999 |
| CORNED BEEF, CANNED                  | 3,522,723  | 3,469,984  | 1,579  | 2,185  | 01703 |
| SEA FISH, FRESH OR FROZEN N E S      | 69         | 334        | 1      | 7      | 03069 |
| LOBSTER, FRESH OR FROZEN             | 67         | 4          | 14     | 1      | 04629 |
| SHRIMPS AND PRAWNS, FRESH OR FROZEN  | 315        | 374        | 55     | 66     | 04649 |
| RICE, CLEANED                        | 139,209    | 65,724     | 393    | 191    | 06149 |
| SAGO AND CASSAVA STARCH OR FLOUR     | 7,831,594  | 1,125,238  | 232    | 39     | 06930 |
| SAGO AND TAPIOCA                     | 430,100    | 473,500    | 48     | 52     | 06940 |
| FARINACEOUS SUBSTANCES N E S         |            | 129,000    |        | 29     | 06999 |
| ORANGES MANDARINES TANGERINES FRESH  | 3,437,048  | 4,530,886  | 105    | 223    | 07139 |
| FRUITS AND BERRIES, DRIED N E S      | 2,069      | 1,312      | 2      | 1      | 07399 |
| LEMON JUICE CONCENTRATES, FROZEN     | 53,155     | 65,993     | 11     | 16     | 07523 |
| ORANGE JUICE CONCENTRATES, FROZEN    | 6,470,597  | 19,479,309 | 1,531  | 4,092  | 07538 |
| ORANGE JUICE CONCENTRATES, NOT FROZ  | 1,136,010  | 248,303    | 237    | 54     | 07539 |
| FRUIT JUICE CONCENTRATES, FROZ. NES  | 143,859    | 288,280    | 47     | 109    | 07558 |
| JAMS, JELLIES AND PRESERVES, CANNED  | 1,080      |            |        |        | 07892 |
| BRAZIL NUTS, NOT SHELLLED            | 2,020,525  | 1,551,956  | 333    | 294    | 08120 |
| BRAZIL NUTS, SHELLLED OR ROASTED     | 1,627,777  | 1,176,236  | 663    | 592    | 08220 |
| CASHEW NUTS, SHELLLED OR ROASTED     | 113,270    | 16,950     | 63     | 9      | 08225 |
| NUTS KERNELS SEEDS SHELLLED PREP NES |            | 10,875     |        | 5      | 08299 |
| TOMATOES, FRESH                      | 5,500      |            | 1      |        | 09190 |
| VEGETABLES, FRESH OR CHILLED N E S   |            | 5,600      |        | 1      | 09199 |
| VEGETABLES & VEG JUICES, CANNED NES  | 124,673    | 111,650    | 25     | 30     | 09599 |
| RAW SUGAR                            | 103,192    |            | 425    |        | 10119 |
| COCOA BEANS                          | 592,650    | 1,637,276  | 207    | 353    | 11110 |
| COCOA BUTTER                         | 1,221,131  | 224,000    | 981    | 142    | 11140 |
| COCOA UNSWEETENED IN BLOCKS, CAKES   | 1,936,855  | 4,969,787  | 254    | 724    | 11162 |
| COCOA OR CHOCOLATE IN POWDER FORM    | 249,619    | 245,936    | 41     | 33     | 11168 |
| COFFEE, GREEN                        | 43,706,645 | 56,595,008 | 23,270 | 24,774 | 11210 |

Cont'd.....



JANUARY TO DECEMBER

| COUNTRY AND COMMODITY                |         | QUANTITY  |            | VALUE |       | CLASS |
|--------------------------------------|---------|-----------|------------|-------|-------|-------|
|                                      |         | 1970      | 1971       | 1970  | 1971  |       |
|                                      |         | \$,000    |            |       |       |       |
| BRAZIL                               | CONT'D. |           |            |       |       |       |
| INSTANT COFFEE                       | LB N    | 6,108,034 | 949,057    | 5,826 | 1,049 | 11230 |
| TEA, BLACK                           | LB      | 436,542   | 653,530    | 133   | 243   | 11310 |
| TEA, GREEN                           | LB      | 400       |            |       |       | 11320 |
| PEPPER, GROUND OR UNGROUND           | LB      | 45,238    | 57,660     | 20    | 25    | 11455 |
| FLAVOURING EXTRACTS AND ESSENCES     | LB      | 54,469    | 17,512     | 15    | 8     | 14640 |
| FCCC PREPARATIONS N E S              | LB      |           | 400        |       |       | 14699 |
| LIQUEURS                             | P GAL   | 147       | 112        | 1     | 1     | 17360 |
| TOBACCO, CIGAR LEAF, UNSTEMMED       | LB      | 457       | 7,480      |       | 5     | 18130 |
| TOBACCO UNMANUFACTURED UNSTEMMED NES | LB      | 55,234    |            | 33    |       | 18199 |
| TOBACCO, UNMANUFACTURED STEMMED NES  | LB      | 136,876   |            | 56    |       | 18299 |
| CIGARS AND SIMILAR PRODUCTS          | M       | 276       | 829        | 5     | 10    | 18330 |
| CATTLE HIDES, RAW                    | NO      | 20        |            |       |       | 20110 |
| HIDE SECTIONS OR BELLIES, RAW        |         |           |            |       | 9     | 20195 |
| HIDES AND SKINS, RAW N E S           |         |           |            |       |       | 20199 |
| FUR SKINS, SHEEP AND LAMB N E S      | NO      | 11,690    |            | 18    |       | 20269 |
| FUR SKINS, UNDRESSED N E S           | NO      | 18,179    | 22,662     | 623   | 665   | 20289 |
| CASEIN                               | CNT     |           | 882        |       | 43    | 20910 |
| PEANUTS, GREEN, SHELLLED             | CWT     | 5,406     |            | 64    |       | 21249 |
| OIL SEEDS OIL NUTS OIL KERNELS NES   | CWT     | 21        |            |       |       | 21299 |
| CUT FLOWERS & DECOR. PLANT MAT. NES  |         |           |            | 29    | 41    | 21399 |
| CRUCE VEG. MATERIALS INEDIBLE N E S  |         |           |            |       | 1     | 21999 |
| LOGS, EXOTIC SPECIES                 | M B F   | 15        |            | 6     |       | 23179 |
| HORSE HAIR                           | LB      |           | 1,349      |       | 2     | 24320 |
| RAW COTTON                           | LB      | 4,235,300 |            | 995   |       | 24410 |
| COTTON LINTERS AND CARDED SLIVER     | LB      | 2,614,813 | 2,847,335  | 156   | 192   | 24430 |
| COTTON WASTE N E S                   | LB      | 1,226,868 | 1,855,769  | 64    | 82    | 24459 |
| SISAL AND AGAVE FIBRES, INCL. WASTE  | LB      | 8,195,735 | 12,015,543 | 595   | 770   | 24550 |
| IRON ORE                             | TON     | 161,005   | 100,372    | 1,301 | 1,090 | 25120 |
| MANGANESE IN ORES AND CONCENTRATES   | CWT     | 827,442   | 1,080,000  | 1,873 | 2,469 | 25840 |
| METAL ORES CONCENTRATES & SCRAP NES  | CWT     | 18,480    | 1,763      | 1,154 | 115   | 25899 |
| DIAMONDS, INDUSTRIAL                 | CARAT   | 1,356     | 240        | 18    | 1     | 27410 |
| DIAMOND DUST                         | CARAT   | 100       | 200        | 1     | 1     | 27420 |
| GRANITE, ROUGH                       | TCN     | 55        | 15         | 3     | 1     | 27610 |
| SILEX AND CRYSTALLIZED QUARTZ        | TON     | 5         |            | 41    | 2     | 27659 |
| NON-METALLIC MINERALS, CRUDE N E S   |         |           |            |       |       | 27999 |
| WASTE MATERIALS N E S                | CWT     | 33        |            | 6     |       | 29199 |
| UPPER LEATHER, CATTLE                | SQ FT   |           | 11,653     |       | 5     | 30110 |
| UPPER LEATHER, CALF AND WHOLE KIP    | SQ FT   |           | 31,761     |       | 13    | 30120 |
| UPPER LEATHER N E S                  | SQ FT   | 28,082    | 64,290     | 8     | 26    | 30199 |
| SHOE LINING LEATHER CATTLE CALF KIP  | SQ FT   | 6,119     | 6,015      | 2     | 2     | 30210 |
| SHOE LINING LEATHER N E S            | SQ FT   | 80,767    | 73,824     | 13    | 17    | 30299 |
| GLCVE & GARMENT LEATHER, SHEEP LAMB  | SQ FT   | 19,118    | 36,220     | 6     | 11    | 30460 |
| GLOVE AND GARMENT LEATHER N E S      | SQ FT   | 471,739   | 420,070    | 119   | 144   | 30499 |
| BAG, CASE AND STRAP LEATHER          | SQ FT   | 69,690    | 135,384    | 18    | 49    | 30610 |
| UPHOLSTERY LEATHER                   | SQ FT   | 1,333     | 10,498     | 1     | 5     | 30670 |
| LEATHER SPLITS N E S                 | SQ FT   | 6,400     | 181,911    | 2     | 56    | 30680 |
| LEATHER N E S                        | SQ FT   | 80,500    | 26,958     | 14    | 9     | 30699 |
| LEATHER FABRICATED MATERIALS N E S   |         |           |            |       |       | 30899 |
| FURS, DRESSED N E S                  |         |           |            | 7     | 33    | 31089 |
| FUR PLATES MATS ETC DRESSED OR DYED  |         |           |            |       | 3     | 31099 |
| HARD RUBBER FABRICATED MATERIALS     |         |           |            |       |       | 32546 |
| MOTOR VEHICLE PARTS OF RUBBER N E S  |         |           |            |       |       | 32558 |
| LUMBER, MAHOGANY                     | M B F   | 249       | 358        | 74    | 89    | 33165 |
| LUMBER, EXOTIC SPECIES N E S         | M B F   | 127       | 647        | 69    | 118   | 33179 |
| DIMENSION-SAWN STOCK                 |         |           |            | 33    | 39    | 33390 |
| VENeer, MAHOGANY                     | SQ FT   |           | 2,165,943  |       | 66    | 33711 |
| VENeer, HARDWOOD N E S               | SQ FT   | 1,871,004 | 4,819,566  | 214   | 631   | 33719 |
| PLYWOOD, SOFTWOOD                    | SF3/8   | 353,438   | 577,635    | 42    | 48    | 33879 |
| HAND TOOL HANDLES                    |         |           |            | 2     |       | 33911 |
| HANDLES GRIPS BACKS & LIKE PROD NES  |         |           |            | 32    | 1     | 33919 |
| ROUGH-SHAPED BLANKS, BLOCKS N E S    |         |           |            | 51    | 1     | 33930 |
| WOOD FABRICATED MATERIALS N E S      |         |           |            | 30    | 4     | 33999 |
| HARD BOARD                           | CWT     | 59,344    | 51,196     | 264   | 230   | 35760 |
| WOOL YARN, WORSTED SPUN              | LB      |           | 1,628      |       | 2     | 36330 |
| COTTON THREAD FOR SEWING             | LB      | 2,296     | 10,167     | 5     | 10    | 36405 |
| COTTON YARN SINGLE 20 AND UNDER NES  | LB      | 204,370   | 664,158    | 101   | 292   | 36445 |
| COTTON YARN SINGLE OV 20 UND 40 NES  | LB      | 340,010   | 689,825    | 183   | 338   | 36446 |
| COTTON YARN SINGLE 40 AND FINER NES  | LB      | 93,270    | 45,027     | 65    | 28    | 36447 |
| COTTON YARN, PLIED N E S             | LB      | 686,610   | 979,836    | 379   | 510   | 36468 |
| ACRYLIC YARN                         | LB      | 14,387    | 60,912     | 18    | 51    | 36616 |
| RAYON YARN, VISCOSE OR ACETATE       | LB      | 235,282   | 861,356    | 128   | 492   | 36619 |
| BALER TWINE                          | LB      | 5,992,167 | 8,905,642  | 626   | 896   | 36903 |
| WOOLLEN FAB ALL WOOL 9 OZ AND LESS   | LB      | 176       |            | 1     |       | 37208 |
| DUCK AND ALLIED FABRICS, COTTON      | LB      | 151,769   | 277,975    | 73    | 142   | 37302 |
| DRILL TWILL WARP SATIN COTTON UNBL   | LB      | 242,438   | 141,051    | 123   | 64    | 37313 |
| DRILL TWILL WARP SATIN COT BLEACHD   | LB      |           | 4,500      |       | 2     | 37315 |
| DRILL TWILL WARP SATIN COT COLORED   | LB      | 41,239    | 103,622    | 34    | 80    | 37318 |
| BROADCLOTH & LT WT POPLIN COT COLOR  | LB      | 5,150     | 159,865    | 5     | 150   | 37338 |
| PRINT CLOTH & SHEETING COTTON UNBL.  | LB      | 1,419     | 74,647     | 1     | 52    | 37343 |



JANUARY TO DECEMBER

| COUNTRY AND COMMODITY                     | BRAZIL | CONT'D  | QUANTITY |      | VALUE |      | \$,000 | CLASS |
|---|--------|---------|----------|------|-------|------|--------|-------|
|   |        |         | 1970     | 1971 | 1970  | 1971 |        |       |
| FLANNEL NAPPED FABRIC COTTON COLOR'D LB   |        | 687     |          |      | 1     |      | 37358  |       |
| DENIMS, COTTON LB                         |        |         | 38,906   |      | 32    |      | 37362  |       |
| CORDUROYS, COTTON, COLOURED LB            |        | 39,705  | 392,557  | 47   | 440   |      | 37382  |       |
| BROAD WOVEN FABRICS COTTON BL N E S LB    |        | 9,717   | 2,428    | 9    | 1     |      | 37395  |       |
| BROAD WOVEN FABRICS COT COLORED NES LB    |        | 22,256  | 22,523   | 41   | 24    |      | 37398  |       |
| POLYESTER BROAD WOVEN FABRICS LB          |        |         | 1,962    |      | 7     |      | 37545  |       |
| BROAD WOVEN FAB. WOOL MIXTURES NES LB     |        | 352     | 598      | 1    | 2     |      | 37739  |       |
| RAYON-POLYESTER BROAD WOVEN FAB NES LB    |        | 3,579   |          | 7    |       |      | 37765  |       |
| BROAD WOVEN FAB. MIXED FIBRES N E S LB    |        |         | 395      |      | 1     |      | 37789  |       |
| KNITTED FABRICS, COTTON N E S LB          |        |         | 47,568   |      | 43    |      | 38559  |       |
| KNITTED FABRICS N E S LB                  |        |         | 375      |      | 1     |      | 38599  |       |
| LACE FABRICS LB                           |        | 2,112   | 1,984    | 13   | 10    |      | 38609  |       |
| BROAD COATED FABRICS N E S LB             |        | 12,739  |          | 7    |       |      | 38779  |       |
| CASTOR OIL CWT                            |        | 59,842  | 52,413   | 859  | 823   |      | 39308  |       |
| VEGETABLE OILS AND FATS N E S CWT         |        | 197     | 324      | 3    | 6     |      | 39399  |       |
| CARNAUBA WAX LB                           |        | 262,416 | 320,228  | 89   | 116   |      | 39415  |       |
| WAXES, ANIMAL AND VEGETABLE N E S LB      |        | 3,307   | 4,410    | 2    | 2     |      | 39449  |       |
| WATTLE EXTRACT LB                         |        | 247,973 | 229,366  | 28   | 29    |      | 39640  |       |
| LEMON AND ORANGE OIL LB                   |        | 10,978  | 2,723    | 2    | 1     |      | 39716  |       |
| PEPPERMINT OIL LB                         |        | 1,960   | 443      | 5    | 1     |      | 39720  |       |
| ESSENTIAL OILS N E S LB                   |        | 7,429   | 2,990    | 7    | 6     |      | 39739  |       |
| NITRITES AND NITRATES N E S CWT           |        |         | 1,000    |      | 2     |      | 40391  |       |
| METHYL, NATURAL AND SYNTHETIC CWT         |        | 556     | 360      | 240  | 193   |      | 40765  |       |
| OXYGEN FUNCTION ACIDS AND DERIV NES CWT   |        | 550     | 550      | 12   | 13    |      | 40998  |       |
| AMINE FUNCTION COMPOUNDS N E S CWT        |        | 20      | 20       |      | 1     |      | 41125  |       |
| POLYPROPYLENE FILM AND SHEET CWT          |        |         |          | 3    |       |      | 42453  |       |
| RUBBER PLAST COMPOUNDING AGENTS NES LB    |        | 2,000   |          | 1    |       |      | 42972  |       |
| FERRO-ALLOYS N E S TON                    |        | 71      | 108      | 225  | 289   |      | 44199  |       |
| BOLTS & HEADED OR THREADED RODS NES       |        |         |          |      |       |      | 46506  |       |
| SCREWS N E S                              |        |         |          |      | 14    |      | 46519  |       |
| CHAIN, POWER TRANSMISSION, CONVEYOR       |        |         |          |      | 5     |      | 46609  |       |
| VALVES, BRASS N E S                       |        |         |          |      |       |      | 46829  |       |
| WIRE FABRICATED BASIC PRODUCTS NES        |        |         |          |      |       |      | 46959  |       |
| CERAMIC TILES FLOOR WALL 2 1/2 & OV SQ FT |        | 25,000  | 8,754    | 7    | 3     |      | 47235  |       |
| ARTIFICIAL ABRASIVES CRUDE GRAINS NES CWT |        | 89      |          | 1    |       |      | 47639  |       |
| GRAPHITE ELECTRODES LB                    |        | 456,786 |          | 82   |       |      | 47722  |       |
| GEM AND ORNAMENTAL STONES N E S           |        |         |          | 26   | 36    |      | 47825  |       |
| MICA BLOCKS SHEETS AND GROUND MICA CWT    |        |         |          | 2    |       |      | 47933  |       |
| ACOUSTIC & CEILING TILES PANELS NES SQ YD |        | 76,210  | 124,109  | 35   | 53    |      | 49409  |       |
| FLOOR AND WALL TILES N E S SQ YD          |        |         | 1,777    |      | 4     |      | 49449  |       |
| HCCDS AND SHAPES, NON-TEXTILE DOZ         |        | 11,600  | 4,000    | 8    | 3     |      | 49601  |       |
| WIPPING RAGS                              |        |         |          |      | 14    |      | 49644  |       |
| ELEC. INDUCTION MOTORS, 1HP & OVER NO     |        | 118     | 161      | 15   | 31    |      | 50367  |       |
| ELEC. MOTORS, UNIVERSAL & OTHER NES NO    |        |         | 143      |      | 31    |      | 50369  |       |
| BEARINGS & PARTS FOR MOTOR VEHICLES       |        |         |          |      | 1     |      | 50401  |       |
| PULLEYS BELT FOR POWER TRANSMISSION       |        |         |          |      |       |      | 50469  |       |
| INDUSTRIAL HOISTS AND LIFTS NO            |        |         |          | 15   |       |      | 51327  |       |
| HOISTING MACHINERY AND PARTS N E S        |        |         |          |      | 6     |      | 51399  |       |
| ROCK DRILL PARTS N E S                    |        |         |          |      | 6     |      | 52105  |       |
| LATHES, METALWORKING, AND PARTS NES NO    |        | 6       | 42       | 43   | 53    |      | 52308  |       |
| KNITTING MACHINE NEEDLES M                |        | 10      | 10       |      | 1     |      | 52736  |       |
| KNITTING MACHINERY AND PARTS N E S        |        |         |          |      | 53    |      | 52740  |       |
| CIGARETTE MAKING MACHINERY & PARTS        |        |         |          |      | 7     |      | 52864  |       |
| PASSENGER AUTOMOBILES NES & CHASSIS NO    |        |         |          | 1    |       |      | 58149  |       |
| PARTS OF MOTOR VEHICLE ENGINES NES        |        |         |          |      | 2     |      | 58849  |       |
| PARTS & ACCESS. FOR MOTOR VEH. NES        |        |         |          |      | 1     |      | 58999  |       |
| PTS & ACCESS. FOR SHIPS & BOATS NES       |        |         |          |      | 1     |      | 59339  |       |
| PARTS OF AIRCRAFT ENGINES                 |        |         |          |      | 2     |      | 60349  |       |
| PASSENGER CAR TIRES, PNEUMATIC, NEW NO    |        | 1,625   | 1,100    | 22   | 15    |      | 62105  |       |
| ELECTRONIC RECEIVING TUBES NO             |        | 17,900  | 7,800    | 13   | 6     |      | 63816  |       |
| PARTS OF ELECTRONIC TUBES N E S           |        |         |          |      | 2     |      | 63829  |       |
| CAPACITORS, ELECTRONIC AND PARTS          |        |         |          |      | 28    |      | 63910  |       |
| RESISTORS, ELECTRONIC, AND PARTS          |        |         |          |      | 4     |      | 63915  |       |
| PTS OF PHONOGRAPH RECORD PLAYER NES       |        |         |          |      | 1     |      | 63992  |       |
| LAMP SHADES SHADE HOLDERS & PTS NES       |        |         |          |      |       |      | 68193  |       |
| WIRING DEVICES AND PARTS                  |        |         |          |      |       |      | 68869  |       |
| PARTS OF ELECTRIC EQUIP FOR ENGINES       |        |         |          |      |       |      | 68995  |       |
| ELEC. MEASURING & TESTING INSTR NES       |        |         |          |      |       |      | 70290  |       |
| DENTAL INSTRUMENTS, EQUIPMENT & PTS       |        |         |          |      | 5     |      | 70651  |       |
| OPTICAL MICROSCOPES & PTS EXC LENS NO     |        |         |          |      | 4     |      | 70710  |       |
| FURNITURE, WOODEN, HHOLD, NOT UPHOL       |        |         |          |      | 22    |      | 74012  |       |
| FURNITURE, HOUSEHOLD, UPHOLSTERED         |        |         |          |      | 23    |      | 74016  |       |
| FURNITURE FRAMES & HHOLD FURN. NES        |        |         |          |      | 2     |      | 74019  |       |
| AXES AND HATCHETS NO                      |        | 996     |          | 1    |       |      | 75252  |       |
| HUNTING KNIVES NO                         |        |         | 100      |      |       |      | 75823  |       |
| SCISSORS, SHEARS AND TRIMMERS NC          |        | 112,117 | 112,771  | 93   | 100   |      | 75865  |       |
| MANICURE AND PEDICURE IMPLEMENTS          |        |         |          |      |       |      | 75866  |       |
| CUTLERY N E S                             |        |         |          |      |       |      | 75899  |       |
| BROOMS AND WHISKS DOZ                     |        |         | 204      |      |       |      | 76113  |       |



JANUARY TO DECEMBER

| COUNTRY AND COMMODITY                  |        | QUANTITY |         | VALUE         |                    |
|--|--------|----------|---------|---------------|--------------------|
|  |        | 1970     | 1971    | 1970          | 1971               |
|  |        | \$,000   |         | CLASS         |                    |
| BRAZIL                                 | CONT'D |          |         |               |                    |
| PAINT AND VARNISH BRUSHES              | DOZ    |          | 806     |               | 1 76124            |
| CASH REGISTERS                         | NO     |          | 12      |               | 2 77126            |
| UNDERWEAR MADE FROM WOVEN FABRICS      | NC     |          | 540     |               | 78119              |
| UNDERWEAR N E S                        | NC     |          | 7,128   |               | 6 78149            |
| BATHING SUITS, EXCEPT KNITTED          | NO     |          | 678     |               | 1 78304            |
| OUTDOOR JACKETS N E S                  | NO     | 13       |         |               | 78317              |
| PANTS, MENS AND BOYS, COTTON           | NC     |          | 3,648   |               | 3 78373            |
| OUTERWEAR, EXCEPT KNITTED N E S        | NC     |          | 57      |               | 78399              |
| SWEATERS AND CARDIGANS, KNITTED NES    | NO     | 4,670    |         | 15            | 78479              |
| HEADWEAR N E S                         | DOZ    |          | 13      |               | 78649              |
| GLOVES AND MITTENS, LEATHER            | DZ PR  | 3        |         |               | 78680              |
| WOMENS HANDBAGS AND PURSES             | DOZ    | 966      | 478     | 31            | 17 78952           |
| APPAREL ACCESSORIES N E S              |        |          |         |               | 4 78999            |
| SLIPPERS AND HOUSE FOOTWEAR            | PAIR   | 2,510    | 4,800   | 5             | 6 79039            |
| WATERPROOF RUBBER FOOTWEAR             | PAIR   | 23,004   | 5,400   | 19            | 6 79040            |
| FOOTWEAR N E S                         | PAIR   | 250,629  | 516,587 | 571           | 1,325 79099        |
| JEWELLERY OF PRECIOUS METALS           |        |          |         |               | 2 81017            |
| COSTUME JEWELLERY N E S                |        |          |         |               | 3 81027            |
| SILVERWARE AND GOLDWARE N E S          |        |          |         |               | 81049              |
| TUFTED RUGS, MATS AND RUNNERS          | SC YD  | 212      | 16      | 2             | 84459              |
| CARPETS, RUGS, MATS AND RUNNERS NES    |        |          |         | 4             | 3 84499            |
| BEDSPREADS, TEXTILE                    | NO     |          | 909     |               | 4 84601            |
| BLANKETS N E S                         | NO     |          | 2,542   |               | 6 84639            |
| TABLECLOTHS                            | LB     |          | 133,873 |               | 83 84711           |
| TABLE NAPKINS, TEXTILE                 | LB     |          | 3,802   |               | 4 84715            |
| TOWELS, COTTON, TERRY                  | LB     | 32,941   | 350,878 | 33            | 188 84803          |
| TOWELS, COTTON N E S                   | LB     |          | 30,977  |               | 26 84805           |
| TOWELS N E S                           | LB     |          | 498     |               | 84810              |
| WASHCLOTHS, BATH MATS AND SETS         | LB     | 8,624    | 19,390  | 10            | 15 84839           |
| HOUSE FURNISHINGS AND SUPPLIES NES     |        |          |         |               | 24 84999           |
| COOKING UTENSILS AND PARTS N E S       |        |          |         |               | 85019              |
| KITCHEN AND TABLE CUTLERY N E S        |        |          |         |               | 6 85059            |
| TUMBLER & STEMWARE GLASS OR CRYSTAL    |        |          |         |               | 9 85063            |
| TABLEWARE, GLASS N E S                 |        |          |         |               | 2 85064            |
| TABLEWARE N E S                        |        |          |         |               | 1 85069            |
| PARTS OF DOMESTIC SEWING MACHINES      |        |          |         |               | 1 86216            |
| LUGGAGE N E S                          | NO     |          | 1,400   |               | 2 86499            |
| TOILET AND COSMETIC BRUSHES N E S      |        |          |         |               | 1 86520            |
| SMOKERS ACCESSORIES N E S              |        |          |         |               | 1 86640            |
| TRAYS                                  |        |          |         |               | 1 86712            |
| HOULD BASKETS BOXES CANS & BAGS NES    |        |          |         |               | 86716              |
| ART AND DECORATIVE WARE N E S          |        |          |         |               | 3 86732            |
| PENICILLIN                             |        |          |         |               | 10 87223           |
| ANTIBIOTICS N E S                      |        |          |         |               | 35 87299           |
| MEDICINAL & PHARMACEUTICAL PROD NES    |        |          |         |               | 18 87999           |
| DENTAL SUPPLIES N E S                  |        |          |         |               | 88299              |
| OPHTHALMIC GOODS N E S                 |        |          |         |               | 88399              |
| BOOKS AND PAMPHLETS NES EXC ENGLISH    |        |          |         |               | 89341              |
| PICTURE REPRODUCTIONS N E S            |        |          |         |               | 1 89439            |
| TOURIST LITERATURE                     |        |          |         |               | 4 89581            |
| ADVERTISING MATTER PRINTED N E S       |        |          |         |               | 89589              |
| STRINGED INSTRUMENTS AND PARTS NES     | NO     | 156      | 268     | 2             | 7 92165            |
| MUSICAL INSTRUMENTS AND PARTS N E S    |        |          |         |               | 1 92199            |
| SHOTGUNS                               | NO     | 11,655   | 22,570  | 157           | 278 93001          |
| RIFLES, RIMFIRE, NON-MILITARY          | NO     |          | 8,900   |               | 144 93007          |
| FIREARMS, NON-MILITARY NES & PARTS     | NO     |          |         |               | 6 93016            |
| PAINTINGS AND PASTELS, MADE BY HAND NO |        | 12       | 2       | 1             | 94608              |
| SCULPTURES AND STATUES, ORIGINAL NC    |        | 1        |         |               | 94620              |
| ANTIQUES AT LEAST 100 YEARS OLD NES    |        |          |         |               | 4 94630            |
| SIGNS AND ADVERTISING DISPLAYS NES     |        |          |         |               | 94929              |
| ARTIFICIAL & CRNAMENTAL FLOWERS ETC    |        |          |         |               | 1 94952            |
| NON-ELEC LIGHTING FIXTURES & PT NES    |        |          |         |               | 5 94966            |
| SHIPPING CONTAINERS GLASS & PTS NES    |        |          |         |               | 5 95036            |
| BCXES & CARTONS, PAPERBOARD & PARTS    |        |          |         |               | 6 95045            |
| SHIPPING CONTAINERS, TEXTILE           |        |          |         |               | 19 95075           |
| SHIPPING CONTAINRS PLASTIC & PT NES    |        |          |         |               | 6 96154            |
| MOTOR AND STEAMER RUGS, LAP RUGS NO    |        | 2,650    |         |               | 2 97010            |
| IMPORT PACKING, RE-USABLE NOT DESCRI   |        |          |         |               | 12 97030           |
| GOODS RETURNED WITHIN FIVE YEARS       |        |          |         |               | 36 97075           |
| SHIPMENTS OF LESS THAN \$200.00 EACH   |        |          |         |               | 51 97075           |
| <b>TOTAL</b>                           |        |          |         | <b>49,311</b> | <b>50,698</b> **** |





